

## NOTICE OF THE 64<sup>TH</sup> ANNUAL GENERAL MEETING

To

The Members,

### **ADOR WELDING LIMITED**

**Notice** is hereby given that the **Sixty Fourth Annual General Meeting** of the Members of **ADOR WELDING LIMITED** will be held at **Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate, Mumbai – 400 020, Maharashtra, India** on **Thursday, 31<sup>st</sup> August, 2017** at **11:00 am**, to transact the following business:-

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2017, together with Reports of the Directors and the Auditors, thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2017.
3. To appoint a Director in place of Ms. Aruna B. Advani (DIN: 00029256), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mrs. N. Malkani Nagpal (DIN: 00031985), who retires by rotation and being eligible, offers herself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:-**

#### **Ratification of appointment of M/s. Walker Chandio & Co. LLP, Chartered Accountants, as the Statutory Auditors for FY 2017-18 and fixing their remuneration**

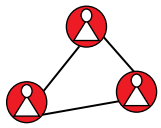
**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, including Rules, Circulars, Notifications made / issued thereunder and for the time being in force, the appointment of M/s. Walker Chandio & Co. LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013, as the Statutory Auditors (Auditors) of the Company, which has been approved by the Members at the 62<sup>nd</sup> Annual General Meeting of the Company for a term of 5 years i.e. from the conclusion of the 62<sup>nd</sup> Annual General Meeting until the conclusion of the 67<sup>th</sup> Annual General Meeting, be and is hereby ratified for a period of one year i.e. for FY 2017-18 and that the Board of Directors of the Company be and is hereby authorized to fix such remuneration, as may be determined in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis, to be agreed upon between the Auditors and the Board of Directors."

#### **SPECIAL BUSINESS:**

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

#### **Ratification of remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai, as Cost Auditor for FY 2017-18**

**"RESOLVED THAT** pursuant to Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any statutory modification(s) or



re-enactment thereof, for the time being in force, remuneration of Rs. 4,50,000/- (Rupees Four Lakhs & Fifty Thousand Only) plus Tax as applicable, payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), Mumbai, as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company for the Financial Year 2017-18, be and is hereby ratified."

**By Order of the Board**

V. M. Bhide

**Head - Corp. Admin., Int. Audit, KM,  
Legal & Company Secretary**

**Mumbai, 09<sup>th</sup> May, 2017**

**CIN:** L70100MH1951PLC008647

**Registered Office:**

Ador House,

6, K. Dubash Marg, Fort,

Mumbai - 400 001-16,

Maharashtra, INDIA.

**Tel:** +91 22 6623 9300, 2284 2525

**Fax:** +91 22 2287 3083

**Web:** [www.adorwelding.com](http://www.adorwelding.com)

**E-mail ID:** [investorservices@adorians.com](mailto:investorservices@adorians.com)

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**NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE DULY COMPLETED, STAMPED & SIGNED AND SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, and issued on behalf of the nominating entities. Members are requested to note that a person can act as proxy on behalf of the Members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.
- c) The Explanatory Statement, as required under Section 102 of the Companies Act, 2013, in respect of the Special Businesses under Item No. 6 of the Notice is annexed hereto. The relevant details, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, w.r.t. persons seeking re-appointment as Directors under Item Nos. 3 and 4 of the Notice are also annexed.
- d) Members, who hold shares in Dematerialized form, are requested to mention their Client ID & DP ID and those who hold shares in Physical form are requested to write their Folio No. on the Attendance Slip for easy identification at the Meeting.
- e) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 25<sup>th</sup> August, 2017 to Thursday, 31<sup>st</sup> August, 2017 (both days inclusive) in connection with the Annual General Meeting (AGM) and for, determining eligibility of the members entitled to receive dividend, if approved by the Members.
- f) If the Dividend, as recommended by the Board of Directors, is declared at the ensuing Annual General

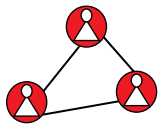
Meeting, then the payment of such Dividend will be made as under:-

- i) In respect of shares held in Physical form, the Dividend will be paid to those shareholders whose names appear in the Register of Members of the Company, after giving effect to all the valid share transfers in physical form, lodged with the Company / its Registrar & Share Transfer Agent (RTA) on or before Thursday, 24<sup>th</sup> August, 2017.
- ii) In respect of the shares held in Electronic form (Dematerialized mode), the Dividend will be payable on the basis of the details of beneficial ownership, furnished by M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services (India) Limited (CDSL), for this purpose, as at the close of business hours on Thursday, 24<sup>th</sup> August, 2017.
- g) Members may please note that the Dividend Warrants will be payable at par at the designated branches of the Bank printed overleaf of the Dividend Warrant for an initial period of three months only. Thereafter, the Dividend Warrants, on revalidation for another period of three months, are payable only at limited branches / centers. The Members are, therefore, requested to encash their Dividend Warrants within the initial validity period.
- h) **As per Section 124(5) of the Companies Act, 2013, all the Dividends, which remain unclaimed for a period of seven (7) years after its date of transfer to 'Unpaid Dividend Account', are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, hence all unclaimed dividends upto FY 2008-09 have been transferred to IEPF.**

**Pursuant to Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), notified on 5<sup>th</sup> September 2016, shares on which dividend remains unclaimed for seven consecutive years will also be transferred to designated Account of IEPF.**

**In terms of IEPF Rules, the Company has posted the requisite details of unpaid / unclaimed Dividends as of last AGM, i.e. as on 28<sup>th</sup> July, 2016 and also as on 31<sup>st</sup> March, 2017 on the website of the Company, viz. [www.adorwelding.com](http://www.adorwelding.com), which will enable the shareholders in checking their unclaimed Dividends, if any.**

- i) Members are requested to:
  - i. Write to the Company atleast 7 days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2017, so as to enable the Company to keep the information ready.
  - ii. Bring copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
  - iii. Intimate the RTA immediately about any change in their addresses, if the shares are held in Physical form. If the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company / RTA.
  - iv. Quote Registered Folio Number or Client ID - DP ID in all the correspondence with the Company / RTA.
  - v. Approach RTA of the Company for consolidation of Folios, if any / required.
  - vi. Avail Nomination facility by filling and forwarding the nomination form to RTA, if not already done, if the shares are held in Physical form.
  - vii. Send all share transfer lodgments (Physical form) and correspondence to RTA of the Company located



at the following address upto / on or before the date of book closure:-

**M/s. Sharex Dynamic (India) Pvt. Ltd.**

Unit No. 01, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East), Mumbai – 400 072,  
Maharashtra, India.

**Tel:** +91 22 2851 5606 / 44 / 6638, **Fax:** +91 22 2851 2885

**E-mail:** sharexindia@vsnl.com, **Web:** www.sharexindia.com

- j) Trading and settlement of the Company's shares through Stock Exchange(s) has been made compulsorily in Demat (Electronic) form, with effect from 08<sup>th</sup> May, 2000. The Members are once again requested, in their own interest, to dematerialise their shareholding in the Company, if not already done.
- k) In order to provide protection against fraudulent encashment of Dividend Warrants, Shareholders holding shares in Physical form are requested to intimate RTA of the Company, under the signature of the sole / first joint holder, the following information, for printing on the Dividend Warrants:
  - i) Type of the Bank Account
  - ii) Name of the Bank
  - iii) Bank Account Number
  - iv) Name of the Branch / Location
  - v) Complete address of the Bank along with PIN Code
- l) Members holding shares in Demat form may kindly note that their Bank details, as furnished by the respective Depositories to RTA, will be printed on their Dividend Warrants, as per the applicable Regulations of the Depositories, and that the Company / RTA will not entertain any direct requests from such Members for deletion of / change in such Bank details. Further, instructions, if any, already given by the Members in respect of their shares held in physical form will not be automatically applicable to Dividend paid on their shares held in electronic form. Members holding shares in Demat form may, therefore, give instructions regarding Bank Accounts, in which they wish to receive Dividend, directly to their Depository Participant and not to RTA / Company.
- m) To avoid loss of Dividend Warrants in transit and undue delay in respect of receipt of Dividend Warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing Services (NECS). NECS essentially operates on the unique bank account number allotted by the banks, post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and for better efficiency in handling bulk transactions. NECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities & towns in India. Members holding shares in Physical form and desirous of availing this facility are requested to contact the Company's RTA.
- n) Members are informed that in case joint holders attend the Meeting, only such joint holder, who is first in the order of Joint names, will be entitled to vote.
- o) Non-Resident Indian Members are requested to inform the Company / RTA the following immediately:
  - i) Change in the residential status on return to India for permanent settlement, if any / applicable.
  - ii) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

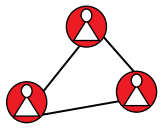
- p) Pursuant to the provisions of Sections 20(2), 101, 136(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Accounts) Rules, 2014, the Company can send the documents like Notices, Annual Reports, etc. in electronic form to its Members, whose e-mail addresses are registered with the Company / RTA / Depositories. Accordingly, this Notice of 64<sup>th</sup> AGM along with the Annual Report for FY 2016-17 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company / RTA / Depositories, unless any Member has specifically requested for a physical copy, and for Members who have not registered their e-mail address, the physical copies of the same will be sent by permitted mode of dispatch.
- q) We hereby request the Members to note that the documents viz. Annual Report, AGM Notice, etc. will be uploaded on the website of the Company viz. [www.adorwelding.com](http://www.adorwelding.com) and will also be made available for inspection at the Registered Office of the Company during business hours. However, in case a Member wishes to receive a physical copy of the said documents, he / she is required to send a letter or an e-mail to [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or to [investorservices@adorians.com](mailto:investorservices@adorians.com) duly quoting his / her DP ID & Client ID or Folio Number, as the case may be, and the said documents will be despatched to the Members free of cost.
- r) Re-appointment of the Directors retiring by rotation at the ensuing Annual General Meeting:
- i) Ms. A. B. Advani, Director (DIN; 00029256) of the Company, retires by rotation and being eligible, offers herself for re-appointment.
  - ii) Mrs. N. Malkani Nagpal, Director (DIN; 00031985) of the Company, retires by rotation and being eligible, offers herself for re-appointment.

The aforesaid Directors have submitted the requisite declarations w.r.t. their re-appointment to the Company. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance, the particulars of the aforesaid Directors are also included in the Notice as Appendix-1 to the Explanatory Statement.

- s) For immediate reference, route map for reaching the venue of 64<sup>th</sup> Annual General Meeting is given hereunder.

**t) Voting through electronic means**

- i) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members a facility to exercise their right to vote on resolutions proposed to be considered at the 64<sup>th</sup> Annual General Meeting (AGM) by electronic means through e-Voting Services. The facility of casting votes by the Members using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') will be provided by M/s. National Securities Depository Limited (NSDL).
- ii) The facility for voting through Ballot Paper shall be made available at the AGM venue and the Members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right at the meeting through Ballot Paper.
- iii) The Members, who have cast their vote by remote e-voting prior to AGM, may also attend the AGM, but shall not be entitled to cast their vote again.
- iv) The remote e-voting period commences on Monday, 28<sup>th</sup> August, 2017 (at 9:00 am) and ends on Wednesday, 30<sup>th</sup> August, 2017 (at 5:00 pm). During this period, Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24<sup>th</sup> August, 2017, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for



voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

v) The process and manner for remote e-voting is as under:

a. When a Member receives an e-mail from NSDL [for Members whose e-mail IDs are registered with the Company / RTA / Depository Participant/s]:

(i) Open the said e-mail and open PDF file viz. 'Ador remote e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting.

**Please note that this password is an initial password.**

(ii) Launch internet browser by typing the following URL:

<https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put User ID and password, as initial password / PIN given / mentioned in step (i) above and click 'Login'

(v) "Password change menu" will appear. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof and note the new password. It is strongly recommended not to share your password with any other person and take utmost care in keeping your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select 'EVEN' of 'ADOR WELDING LIMITED'.

(viii) Now you are ready for remote e-voting as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.

(x) Upon your confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, through e-mail, at [scrutiniser@hkacs.com](mailto:scrutiniser@hkacs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

b. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail IDs are not registered with the Company / RTA / Depository Participant/s or those requesting physical copy]:

(i) Initial password is provided as below at the bottom of the Attendance Slip of the AGM Notice:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- vi) In case of any queries, you may refer Frequently Asked Questions (FAQs) and / or remote e-voting user manual for the Members available at the 'downloads section' of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - vii) If you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password / PIN for casting your vote.
  - viii) You can also update your contact number and e-mail ID in user profile details w.r.t. your Folio, which may be used for sending future communication(s).
  - ix) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 24<sup>th</sup> August, 2017.
  - x) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. 24<sup>th</sup> August, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, then you can reset your password by using 'Forgot User Details / Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at its toll free no.: 1800-222-990.

- xi) A person, whose name is recorded in the Register of Members or in the register of beneficial owners, maintained by the depositories, as on the cut-off date i.e. 24<sup>th</sup> August, 2017 shall only be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- xii) M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, have been appointed as Scrutinizer to scrutinize the voting and remote e-voting process in a fair & transparent manner.
- xiii) The Chairman shall, at the end of discussion on the resolutions on which the voting is to be held at the AGM, allow voting with the assistance of scrutinizer, with the use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the "remote e-voting" facility.
- xiv) The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour and against, if any, to the Chairman or a person authorized by him / her in writing, who shall countersign the same and declare the result of the voting forthwith.
- xv) The Voting Results along with the report of the Scrutinizer shall be placed on the website of the Company, [www.adorwelding.com](http://www.adorwelding.com) and on the website of NSDL immediately after the declaration of result, by the Chairman or a person authorized by him / her in writing. The voting results shall also be immediately forwarded to BSE Limited & the National Stock Exchange (India) Limited.

**By Order of the Board**

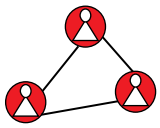
V. M. Bhide

**Head – Corp. Admin., Int. Audit,  
KM, Legal & Company Secretary**

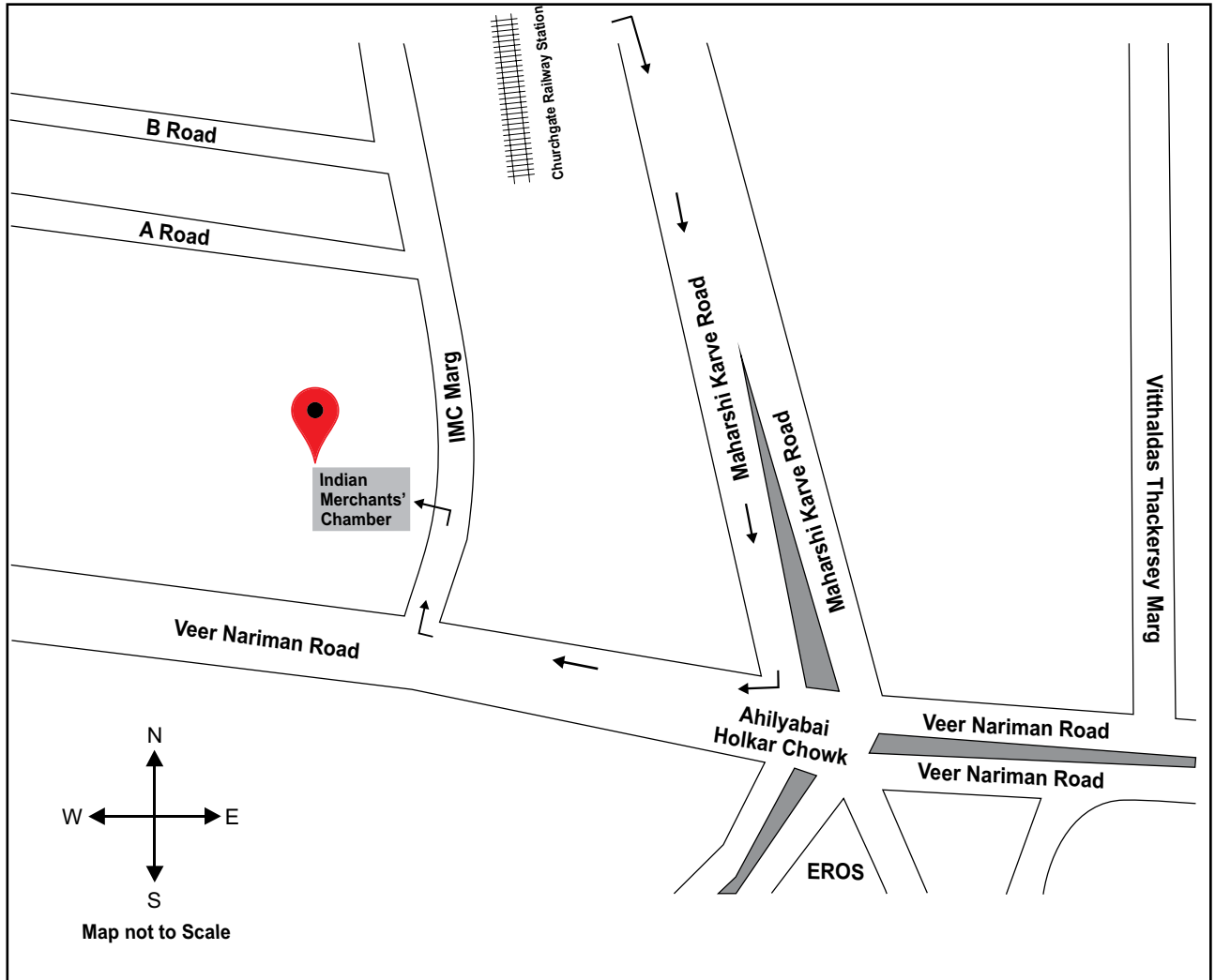
**Place:** Mumbai

**Date:** 09<sup>th</sup> May, 2017





## Route Map of the Venue of the 64<sup>th</sup> Annual General Meeting





## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

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**(Pursuant to the provisions of Section 102 of the Companies Act, 2013 and SS-2 in respect of Item No. 6)**

### **Item No. 6**

#### **Ratification of remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai, as the Cost Auditors for FY 2017-18**

The Board of Directors, at its meeting held on 09<sup>th</sup> May, 2017, pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules 2014, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai, as the Cost Auditors of the Company for FY 2017-18 for a remuneration of ₹ 4,50,000/- (Rupees Four Lakhs & Fifty Thousand Only) plus tax as applicable, on the recommendation of the Audit Committee, subject to ratification by the Members at the ensuing Annual General Meeting (AGM).

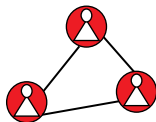
The resolution at Item No. 6 of the Notice is set out as an Ordinary Resolution for the approval by the Members in accordance with Section 148 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

**By Order of the Board**

**Place:** Mumbai  
**Date:** 09<sup>th</sup> May, 2017

V. M. Bhide  
**Head – Corp. Admin., Int. Audit,  
KM, Legal & Company Secretary**



**Appendix-1 to the Explanatory Statement to the Notice of the 64<sup>th</sup> Annual General Meeting  
Information of Directors seeking re-appointment at the AGM [In pursuance of SEBI (LODR) Regulations, 2015 & Secretarial Standard-2]**

Sr. No.	Name	DIN	Date of Birth	Date of Appointment	Qualification/s & Experience	Expertise	Directorships held in other Companies (excluding Foreign companies)	Chairmanships / Memberships of Committees*	Share -holding in AWL
1	Ms. A. B. Advani	00029256	19-11-1954	01-05-2014	<ul style="list-style-type: none"> <li>A Science Graduate (Hons) from the University of Sussex.</li> <li>Owners Management Programme from Harvard Business School.</li> <li>Strategic Financial Planning from IIM, Ahmedabad.</li> <li>Over 40 years of working experience with Ador Welding Limited</li> </ul>	General Management and Strategic Financial Planning	<ul style="list-style-type: none"> <li>Ador Powertron Ltd.</li> <li>Metro Shoes Ltd.</li> <li>J. B. Advani &amp; Co. Pvt. Ltd.</li> <li>Ador Green Energy Pvt. Ltd.</li> <li>Ador Welding Academy Pvt. Ltd.</li> <li>Greenline Industrial System Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee of Ador Powertron Ltd.</li> <li>Audit Committee of Metro Shoes Ltd.</li> </ul>	2,95,480
2	Mrs. N. Malkani Nagpal	00031985	06-07-1971	30-07-2015	<ul style="list-style-type: none"> <li>MBA, with specialization in Finance from Imperial College, UK.</li> <li>B.Sc. in Business &amp; Economics from Lehigh University, PA, USA.</li> <li>Over 19 years of working experience</li> </ul>	Financial Management	<ul style="list-style-type: none"> <li>Ador Multiproducts Ltd.</li> <li>Ador Fontech Ltd.</li> <li>Plem Hotels Ltd.</li> <li>J.B Advani &amp; Co. Pvt. Ltd.</li> <li>Ador Green Energy Pvt. Ltd.</li> <li>3D Future Tech. Pvt.Ltd.</li> <li>1908 e-Ventures Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee of Ador Fontech Ltd.</li> <li>Stakeholders Relationship Committee of Ador Fontech Ltd.</li> </ul>	57,352

\*Considered Chairmanships / Memberships of Audit Committee & Stakeholders Relationship Committee only, other than AWL.

**Notes:**

1. The terms & conditions of remuneration are as per the agreements executed with the above named Directors.
2. None of the above named Directors are related to each other or with other Directors and KMPS.
3. Both the above named Directors have attended all the Board Meetings in FY 2016-17 (4 out of 4).

# ADOR WELDING LIMITED



**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 | **Website:** www.adorwelding.com

**E-mail:** investorservices@adorians.com | **CIN:** L70100MH1951PLC008647

## PROXY FORM

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

**64<sup>th</sup> Annual General Meeting: Thursday, 31<sup>st</sup> August, 2017**

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No. / DP ID - Client ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him / her

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him / her

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_,

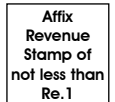
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **64<sup>th</sup> AGM of the Company**, to be held on **Thursday, 31<sup>st</sup> August, 2017 at 11:00 a.m.** at **Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate, Mumbai – 400 020, Maharashtra, India** and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Resolution	Vote (Optional, see Note 3)	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Financial Statements (Standalone & Consolidated) for the year ended 31 <sup>st</sup> March, 2017 and Directors' Report and Auditor's Report thereon		
2	Declare Dividend for FY 2017-18		
3	Re-appointment of Ms. A. B. Advani, as Director, who retires by rotation		
4	Re-appointment of Mrs. N. Malkani Nagpal, as Director, who retires by rotation		
5	Ratification of appointment of M/s. Walker Chandiook & Co., LLP Chartered Accountants, as the Statutory Auditors and fixing their remuneration		
<b>Special Business</b>			
6	Ratification of remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountant, Mumbai, as the Cost Auditors for FY 2017-18.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of the Shareholder: \_\_\_\_\_

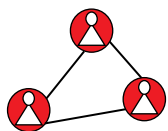
Signature of the Proxy holder: \_\_\_\_\_



### Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For Explanatory Statement and Notes, please refer to the Notice of the 64<sup>th</sup> AGM.
3. It is optional to put 'X' in the appropriate column against the Resolution indicated in the Box above. If you leave 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all the details, including the details of Member(s), before submission.





## DIRECTORS' REPORT

To,

The Members,

The Directors take pleasure in presenting the Sixty Fourth Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2017.

### 1.0 FINANCIAL PERFORMANCE

(₹ in Lakhs)

Sr. No.	Key Financial Indicators	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
		Standalone		Consolidated	
1.1	Sales & Other Income (Net of Excise Duty, Discounts & Incentives)	44,997	41,239	45,075	41,362
1.2	Profit before Interest, Depreciation, Tax & Exceptional Items	4,034	4,630	4,022	4,620
1.3	Profit before Tax & Exceptional Items	2,812	3,378	2,785	3,354
1.4	Exceptional Items	-	(195)	-	(195)
1.5	Provision for Tax (including Deferred Tax)	945	918	941	920
1.6	Profit after Tax (PAT) & Exceptional Items	1,867	2,265	1,844	2,239

### 2.0 DIVIDEND AND RESERVES

- 2.1 The Board of Directors is pleased to recommend a Dividend of 50% (i.e. @ ₹ 5/- per Equity Share) for the Financial Year (FY) 2016-17, subject to the approval of the Members. Dividend for the previous FY 2015-16 was declared @ 50% (i.e. @ ₹ 5/- per Equity Share)\*.
- 2.2 The Dividend for FY 2016-17 shall be paid to those Shareholders and Beneficial Owners whose names appear in the Register of Members as on the cut off date for dividend payment.
- 2.3 The Board recommends transfer of ₹ 187 Lakhs (₹ 227 Lakhs)\* to General Reserve. (\*Figures in brackets indicate previous year).

### 3.0 OPERATIONS

In FY 2016-17, the total Sales and Other Income went up by 9.11%. The year ended with Sales and Other Income of ₹ 44,997 Lakhs (₹ 41,239 Lakhs)\*.

The Company's Sales and Other Income during FY 2016-17 comprised of the following:

- 3.1 Welding Consumables at ₹ 28,235 Lakhs (₹ 27,470 Lakhs)\* recorded a marginal growth of about 2.78% over the previous year.
- 3.2 Equipment & Project Engineering at ₹ 15,822 Lakhs (₹ 13,213 Lakhs)\* was higher by about 19.75% over the previous year.
- 3.3 Other Income of ₹ 940 Lakhs mainly comprised of FOREX gain, interest, rent income and profit on sale of investments etc. (₹ 556 Lakhs)\*.
- (\*Figures in brackets indicate previous year).

#### 4.0 CAPEX

The Company incurred CAPEX of ₹ 1,381 Lakhs and Capital work - in - progress as at 31<sup>st</sup> March, 2017 was ₹ 402 Lakhs. CAPEX planned for FY 2017- 18 is ₹ 1,476 Lakhs, mainly for the following:-

- (a) Automation at Consumables and Equipment Plants.
- (b) Production Equipment to balance lines for achieving capacity levels.
- (c) Production related Equipment to improve "productivity and in-process quality".
- (d) Replacement of Old Machinery.
- (e) Analytical Instruments for R&D.
- (f) IT Compliances.

#### 5.0 SUBSIDIARY COMPANIES

##### 5.1 Ador Welding Academy Pvt. Ltd. (AWAPL)

AWAPL, a Wholly Owned Subsidiary of the Company, focuses on creating a pool of skilled welding technicians and professionals to serve a cross-section of industries in the infrastructure sector and also renders consulting to corporates on setting up / improving their welding processes. AWAPL registered a total revenue of ₹ 103 Lakhs (₹ 158 Lakhs)\*, with a net loss (before exceptional and extraordinary items & tax) of ₹ 27 Lakhs (₹ 24 Lakhs)\*.

(\*Figures in brackets indicate previous year).

Mr. Raman Kumar, Chairman of AWAPL, resigned from the Board of AWAPL and he is being relieved on 10<sup>th</sup> May, 2017. The Board appreciates and acknowledges the contributions made & efforts taken by Mr. Raman Kumar in setting up AWAPL and also for the assistance & guidance provided by him during his tenure as the Director / Chairman of AWAPL.

The Board of Directors of the Company nominated Mr. Satish M. Bhat (DIN: 05168265) onto the Board of AWAPL as an "Additional Director" with effect from 09<sup>th</sup> May, 2017, as a replacement of Mr. Raman Kumar and requested him to take the Company forward to achieve its objective & goals.

##### 5.2 Plasma Laser Technologies Ltd. (PLT)

During FY 2013-14, the Company had recognised diminution in the value of its investment in PLT and had fully provided for the same in the financial accounts. In FY 2014-15, a Petition for liquidation of PLT was filed by the employees of PLT with the District Court sitting in Nazareth, Israel. In view of this & orders of District Court of Nazareth, the authority to operate & manage PLT vests with the Court. The due process of law for liquidation is still in progress. Your Company does not foresee any further liability to devolve on it.

#### 6.0 CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements relate to Ador Welding Ltd. and its wholly owned subsidiary, Ador Welding Academy Private Ltd. These consolidated financial statements are prepared in compliance with all the applicable Accounting Standards. The standalone financial statements of AWAPL are posted onto the website of the Company at the weblink below:

[http://www.adorwelding.com/images/pdf/key\\_financials/2017/Ador-Welding-Academy-Pvt.-Ltd---Financial-Statements-for-FY-2016-17.pdf](http://www.adorwelding.com/images/pdf/key_financials/2017/Ador-Welding-Academy-Pvt.-Ltd---Financial-Statements-for-FY-2016-17.pdf)

and hence the same are not annexed with this 64<sup>th</sup> Annual Report.

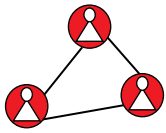
The Annual Accounts and other related information of the said Subsidiary Company will also be made available to the shareholders of the Holding Company.

The Annual Accounts of the Subsidiary Company are available for inspection to the shareholders at the registered office of the Company and your Company shall furnish a physical copy of accounts of subsidiary to any shareholder of the Company, on request.

#### 7.0 RISK MANAGEMENT

Your Company has formulated an Enterprise Risk Management (ERM) framework, to manage various financial & non-financial risks, amongst other things.

The Company has also adopted ERM Policy, which 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 further states that there are no elements of risks, which threaten the existence of the Company.

## 8.0 RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions is approved by the Board of Directors and the same is uploaded on the Company's website:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/RPT\\_policy.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/RPT_policy.pdf)

During FY 2016-17, the Company entered into certain Related Party Transactions, in the ordinary course of business and on arms length basis, with prior approval of the Audit Committee. The Audit Committee grants omnibus approval for the transactions with the related parties, which are foreseen & repetitive in nature. A detailed summary of Related Party Transactions vis-à-vis the omnibus approval is placed before the Audit Committee & the Board of Directors for their review on a quarterly basis.

There are no materially significant Related Party Transactions executed between the Company & its Promoters, Directors, Key Managerial Personnel or other designated persons, that may have a potential conflict with the interest of the Company at large. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

## 9.0 EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return is appended hereto as **Annexure - I**, and forms part of this Report.

## 10.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its CSR initiatives, the Company spent Rs. 41.18 Lakhs during FY 2016-17 out of the budgeted CSR expenditure of Rs. 51.67 Lakhs, on various projects in the following areas:

- Promoting education among children,

women and underprivileged, including special education & employment enhancing vocation skills, including skill development.

- Promoting sanitation, hygiene and making available safe drinking water or means for the same, to the underprivileged.

The said CSR projects are in accordance with Schedule VII to the Companies Act, 2013. The unspent amount as of 31<sup>st</sup> March, 2017 was Rs.10.49 Lakhs. The said unspent CSR amount was not utilized as the Company did not receive any appropriate / suitable CSR proposals as per its Corporate Social Responsibility Policy.

The **Annual Report on CSR activities** is annexed hereto as **Annexure – II**.

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

## 11.0 LOANS & GUARANTEES

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

## 12.0 FIXED DEPOSITS

The Company has neither accepted nor renewed Fixed Deposits during FY 2016-17 and FY 2015-16.

## 13.0 INSURANCE

The properties / assets of the Company are adequately insured.

## 14.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

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

## 15.0 CORPORATE GOVERNANCE

As per the Listing Agreements executed with the



Stock Exchanges, the Company has been following the **Corporate Governance** Code from FY 2001-02 onwards. The Company has complied with all the requirements of the Corporate Governance as per the Listing Agreement executed with the Stock Exchanges for the period 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a separate **Report** is attached hereto as **Annexure - IV**.

The Corporate Governance Compliance Certificate received from M/s. Walker Chandniok & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, is also attached to this Report.

The **Management Discussion and Analysis Report**, as mandated under Schedule V of SEBI (LODR) Regulations, 2015 is also attached to this Report as **Annexure V**.

### 16.0 SIGNIFICANT AND MATERIAL ORDERS

During FY 2016-17, there were no significant orders passed against the Company by the regulators or courts or tribunals, impacting the going concern status and the Company's operations in future.

### 17.0 NOMINATION & REMUNERATION POLICIES

As required under the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Company has adopted the policies for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, etc. The details of the Remuneration Policy for Directors are explained in the Corporate Governance Report, attached hereto as Annexure - IV.

### 18.0 INDEPENDENT DIRECTORS

All the Independent Directors of the Company have submitted declaration of their independence, as required under Section 149 (6) of the Companies Act, 2013.

### 19.0 DIRECTORS AND KEY MANAGERIAL PERSONNEL

19.1 Ms. Aruna. B. Advani (DIN: 00029256) and Mrs. N. Malkani Nagpal (DIN:00031985), Directors of the Company, retire by rotation, as per the Articles of Association of the Company and are eligible for re-appointment.

The Board of Directors, pursuant to Section 152 of the Companies Act, 2013 & Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014, has received Form MBP-1 and Consent to act as a Director in Form DIR-2, from Ms. Aruna. B. Advani & Mrs. N. Malkani Nagpal.

19.2 Necessary Resolutions for re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and details of the proposed appointees are mentioned in the Appendix to the Explanatory Statement annexed to the Notice.

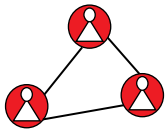
### 20.0 DIRECTORS PERFORMANCE EVALUATION

The Company has completed a formal annual performance evaluation, by the Board of its own performance & that of its committees and individual Directors, including the Executive Chairman & the Independent Directors. The manner of evaluation has been explained in the Corporate Governance Report in Annexure – IV.

### 21.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the Company for that period;
- 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.

## 22.0 AUDIT COMMITTEE AND ITS RECOMMENDATIONS

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

The Board has accepted all the recommendations of the Audit Committee and hence there is no further explanation to be provided for, in this Report.

## 23.0 NUMBER OF BOARD MEETINGS

The Company has conducted 4 (four) Board meetings during FY 2016-17 and the details thereof are covered under the Corporate Governance Report, which is annexed to this Report as Annexure - IV.

## 24.0 STATUTORY AUDITORS

At the 62<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> July, 2015, M/s. Walker Chandiook & Co. LLP, Chartered Accountants, (FRN: 001076N / N500013) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting, to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every subsequent Annual General Meeting since their first appointment. Accordingly, the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard,

the Company has received a communication from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## 25.0 STATUTORY AUDITOR'S REPORT

There are no qualifications in the Auditor's Report & therefore there are no further explanations to be provided for in this Report.

## 26.0 SECRETARIAL AUDITOR & ITS REPORT

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 2016-17. The Secretarial Audit Report is annexed herewith as **Annexure - VI**. There are no qualifications in the said Report and therefore no explanations are provided in this Report.

## 27.0 COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Board of Directors had appointed M/s. Kishore Bhatia & Associates, Cost Accountant, Mumbai, as the Cost Auditor of the Company for FY 2016-17.

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

- 27.1 Name of the Cost Auditor: M/s. Kishore Bhatia & Associates
- 27.2 Address: 701/702, D-Wing, Neelkanth Business Park, Nathani Road, Vidhyavihar (West), Mumbai – 400 086, Maharashtra, India.
- 27.3 Membership No.: 31166
- 27.4 Firm Regn. No. : 00294
- 27.5 Due date for filing Cost Audit Report (XBRL) for FY 2015-16 by the Cost Auditor with the Central Government: Within 180 days from the end of the financial year (30<sup>th</sup> September, 2016).
- 27.6 Actual Date of filing of Cost Audit Report for FY 2015-16 with the Central Government: 19<sup>th</sup> September, 2016

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for FY 2017-18 also. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2017-18, is being placed before the Members at the ensuing Annual General Meeting, for ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors is included as Item No. 6 of the Notice convening the Annual General Meeting.

### 28.0 VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has framed a policy on Vigil Mechanism-cum-Whistle Blower, which enables any Director / employee of the Company to report their genuine concerns / instances of any unethical / improper activity, directly to the Chairman of the Audit Committee, as a Protected Disclosure. The detailed policy is also posted on the Company's intranet Portal SANVAD and onto its website at [http://www.adorwelding.com/images/pdf/corporate\\_policies/whistle\\_Blower\\_cum\\_Vigil\\_Mechanism\\_Policy.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/whistle_Blower_cum_Vigil_Mechanism_Policy.pdf)

### 29.0 POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has adopted a policy under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also formed a Committee to look into the Complaints, if received. During FY 2016-17, the Company carried out various awareness programs on this subject. No complaints were received by the Committee during FY 2016-17.

### 30.0 EMPLOYEES

30.1 The industrial relations at all the Plants and Offices of the Company continue to remain harmonious, cordial and peaceful.

30.2 The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, is annexed herewith as **Annexure - VII.**

30.3 The manpower strength of the Company as at the date of this Report is 601.

### 31.0 ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their warm appreciation for the invaluable contribution and spirit of dedication shown by the employees at all levels during FY 2016-17. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by its Customers, Distributors, Dealers, Suppliers, Service Providers, Bankers, various Government Organisations / Agencies & Shareholders and look forward to their continued support and co-operation in future also.

**For and on behalf of the Board**

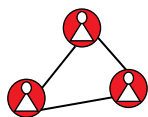
Aruna B. Advani

**Executive Chairman**

(DIN: 00029256)

**Place:** Mumbai

**Date:** 09<sup>th</sup> May, 2017

**ANNEXURE I - TO THE DIRECTORS' REPORT****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN as of the Financial Year ended 31<sup>st</sup> March, 2017****[Pursuant to Sections 92(3) & 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. Registration and Other Details**

1	CIN	L70100MH1951PLC008647
2	Registration Date	22 <sup>nd</sup> October, 1951
3	Name of the Company	Ador Welding Limited
4	Category / Sub-Category of the Company	Public Company
5	Address of the Registered Office and contact details	Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, India Tel: +91 22 6623 9300 / 2284 2525 Fax: +91 22 2287 3083 Web: www.adorwelding.com E-mail ID: investorservices@adorians.com
6	Whether listed Company (Yes / No)	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. Address: Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 Tel: +91 22 2851 5606 / 44 / 6338 E-mail: sharexindia@vsnl.com

**II. Principal Business Activities of the Company**

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

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	MANUAL METAL ARC WELDING / BRAZING ELECTRODES of Manufacture falling under ITC-broad description of CORED WIRE BASE OF METAL FOR ELECTRIC ARC WELDING	83112000 & 83111000	64
	CONTINUOUS WELDING ELECTRODES of Manufacture falling under ITC-broad description CORED WIRE OF BASE METAL FOR ELECTRIC ARC WELDING, ARC WELDING / BRAZE WELDING FLUXES of Manufacture falling under ITC broad description of OTHER, including parts.	72299016	
2	WELDING & CUTTING EQUIPMENT AND ACCESSORIES of Manufacture falling under ITC-broad description OTHER (including PEB Products)	85151900	36

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	J. B. Advani & Co. Pvt. Ltd. Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, India	U51900MH1925PTC004217	Holding	50.01%	2(46)
2	Ador Welding Academy Pvt. Ltd. A-108, H Block, MIDC, Pimpri, Pune - 411 018, Maharashtra, India	U74900PN2012PTC144148	Subsidiary	100%	2(87)

**IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)**  
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the financial year (01.04.2016)				No. of Shares held at the end of the financial year (31.03.2017)				% Change during the year
	Demat		Physical		Demat		Physical		
	Total	% of Total Shares	Total	% of Total Shares	Total	% of Total Shares	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	8,58,916	0	8,58,916	6.32	8,59,446	0	8,59,446	6.32	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corps.	68,00,531	0	68,00,531	50.01	68,00,531	0	68,00,531	50.01	0.00
e) Banks / FIs	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>76,59,447</b>	<b>0</b>	<b>76,59,447</b>	<b>56.33</b>	<b>76,59,977</b>	<b>0</b>	<b>76,59,977</b>	<b>56.33</b>	<b>0.00</b>
(2) Foreign									
a) NRIs – Individuals	49,050	0	49,050	0.36	49,050	0	49,050	0.36	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corps.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>49,050</b>	<b>0</b>	<b>49,050</b>	<b>0.36</b>	<b>49,050</b>	<b>0</b>	<b>49,050</b>	<b>0.36</b>	<b>0.00</b>
<b>Total shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>77,08,497</b>	<b>0</b>	<b>77,08,497</b>	<b>56.69</b>	<b>77,09,027</b>	<b>0</b>	<b>77,09,027</b>	<b>56.69</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	22,13,006	4,600	22,17,606	16.31	22,44,213	4,600	22,48,813	16.54	0.23
b) Banks / FIs	332	300	632	0.01	3,810	300	4,110	0.03	0.02
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	1,057	0	1,057	0.01	0.01
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	10	10	0.00	0	10	10	0.00	0.00
g) FIs	0	3,925	3,925	0.03	0	3,925	3,925	0.03	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>22,13,338</b>	<b>8,835</b>	<b>22,22,173</b>	<b>16.35</b>	<b>22,49,080</b>	<b>8,835</b>	<b>22,57,915</b>	<b>16.61</b>	<b>0.26</b>

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## iii) Change in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the financial year (01.04.2016)		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the financial year 2016-17	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	D. A. Lalvani	21,112	0.16	30.06.2016	Purchase of Shares	350	0.00	21,462	0.16
				21.10.2016	Purchase of Shares	180	0.00	21,642	0.16

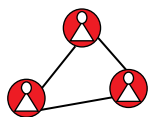
## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs &amp; ADRs)

Sr. No.	Shareholder's Name (for each of the top 10 shareholders)	Shareholding at the beginning of the financial year (01.04.2016)		Cumulative Shareholding during the financial year 2016-17	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Reliance Capital Trustee Co Ltd. A/c	9,91,605	7.29	11,67,129	8.58
2	Tata Trustee Co. Ltd A/c Tata Mutual	2,44,549	1.80	2,44,549	1.80
3	Sundaram Mutual Fund A/c Sundaram Series VI	2,12,328	1.56	2,12,328	1.56
4	HDFC Small & Midcap Fund	1,45,317	1.07	1,45,317	1.07
5	Sundaram Mutual Fund A/c Sundaram Series V	1,42,957	1.05	1,42,957	1.05
6	Sundaram Mutual Fund A/c Sundaram Series I	1,36,192	1.00	1,36,192	1.00
7	Court Receiver, High Court, Mumbai	1,16,640	0.86	1,16,640	0.86
8	Sundaram Mutual Fund A/c Sundaram Series VIII	1,13,987	0.84	1,13,987	0.84
9	Angel Holdings Pvt Ltd.	94,350	0.69	94,350	0.69
10	Jetu Jacques Taru Lalvani	94,000	0.69	94,000	0.69

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholder's Name (for Each of the Directors and KMPs)	Shareholding at the beginning of the financial year (01.04.2016)		Cumulative Shareholding during the financial year 2016-17	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	A. B. Advani	2,95,480	2.17	2,95,480	2.17
2	N. Malkani Nagpal	57,352	0.42	57,352	0.42
3	R. A. Mirchandani	8,002	0.06	8,002	0.06
4	A. T. Malkani	1,03,626	0.76	1,03,626	0.76
5	D. A. Lalvani	21,112	0.16	21,642	0.16
6	G. M. Lalwani	10	0.00	10	0.00
7	V. M. Bhide	150	0.00	150	0.00





## V. Indebtedness

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

(₹ in Lakhs)

Particulars	Secured	Unsecured Loans (excluding deposits)	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>				
i) Principal Amount	-	17.00	-	17.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>17.00</b>	-	<b>17.00</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,800.00	-	-	2,800.00
• Reduction	-	(17.00)	-	(17.00)
<b>Net Change</b>	<b>2,800.00</b>	<b>(17.00)</b>	-	<b>2,783.00</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	2,800.00	-	-	2,800.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.29	-	-	6.29
<b>Total (i+ii+iii)</b>	<b>2,806.29</b>	-	-	<b>2,806.29</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to the Managing Director, Whole – Time Directors and / or Manager

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total
		A. B. Advani	S. M. Bhat	N. Malkani Nagpal	
1	Gross Salary				
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	104.64	83.32	77.37	265.33
	(b) Value of the perquisites u/s 17(2) of the Income Tax Act, 1961	21.56	10.66	9.46	41.68
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission – as % of profit – others, specify.	2.97	11.88	2.97	17.82
5	Others (Bonus for FY 2016-17)	-	22.00	-	22.00
	<b>Total (A)</b>	<b>129.17</b>	<b>127.86</b>	<b>89.80</b>	<b>346.83</b>

**Note:** The remuneration payable to the Executive Directors is within the overall ceilings as per the Companies Act, 2013.

### B. Remuneration to other Directors

#### 1. Independent Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of the Director						Total
	M. K. Maheshwari	P. K. Gupta	R. N. Sapru	K. Digvijay Singh	G. M. Lalwani	S. G. Mirchandani	
Fees for attending Board & Committee meetings	0.82	0.72	0.50	0.72	0.40	0.30	3.46
Commission	3.30	3.30	3.30	3.30	3.30	3.30	19.80
Others, please specify	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>4.12</b>	<b>4.02</b>	<b>3.80</b>	<b>4.02</b>	<b>3.70</b>	<b>3.60</b>	<b>23.26</b>

**2. Other Non-Executive Directors**

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors			Total
	R. A. Mirchandani	A. T. Malkani	D. A. Lalvani	
Fees for attending Board & Committee meetings	0.45	0.65	0.89	1.99
Commission	3.30	3.30	3.30	9.90
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>3.75</b>	<b>3.95</b>	<b>4.19</b>	<b>11.89</b>
<b>Total (B)=(1+2)</b>				<b>35.15</b>

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

**C. Remuneration to the Key Managerial Personnel (KMP) other than MD / Manager / WTD:**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26.68	25.17	51.85
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.03	-	1.03
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - other, specify.	-	-	-
5	Others - specify.	-	-	-
	<b>Total</b>	<b>27.71</b>	<b>25.17</b>	<b>52.88</b>

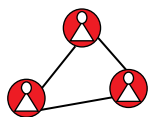
**VII. Penalties / Punishment / Compounding of Offences**

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

**For and on behalf of the Board**

 Aruna. B. Advani  
**Executive Chairman**  
 (DIN: 00029256)

**Place:** Mumbai  
**Date:** 09<sup>th</sup> May, 2017

**ANNEXURE II - TO THE DIRECTORS' REPORT****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2016-17****1. A brief outline of the Company's CSR Policy, including overview of projects / programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:**

Ador Welding Limited's (AWL's) CSR Committee believes that it is important for the organization to focus on its philanthropic activities as a part of its DNA, and had, hence, identified the following areas as its primary focus for FY 2016-17:

- Promoting education among children, women, elderly and differently abled, including special education & employment enhancing vocational skills, especially skill development and encouraging safety practises in manufacturing & allied fields.
- Empowering women towards individual and professional development opportunities.
- Promoting sanitation, hygiene & making available safe drinking water to the non-privileged / underprivileged.
- Any other activities mentioned under Schedule VII to the Companies Act, 2013, as may be identified by CSR Committee from time to time.

**Web-link of CSR Policy:** [http://www.adorwelding.com/images/pdf/corporate\\_policies/CSR-Policy-FY-2017-18\\_new.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/CSR-Policy-FY-2017-18_new.pdf)

**2. Composition of the CSR Committee:**

Mr. M. K. Maheshwari - Chairman (Non - Executive & Independent Director)  
 Ms. A. B. Advani - Member (Executive Chairman)  
 Mr. S. M. Bhat - Member (Managing Director)  
 Mr. D. A. Lalvani - Member (Non - Executive Director)

**3. Average net profit of the Company for the last three financial years, under Section 198 of the Companies Act, 2013: ₹ 2,583.28 Lakhs****4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 51.67 Lakhs****5. Details of CSR spend for FY 2016-17:**

(a) Total amount spent for FY 2016-17 : ₹ 41.18 Lakhs

(b) Amount unspent : ₹ 10.49 Lakhs

(c) Manner in which the amount spent during FY 2016-17 is detailed below:

Sr. No.	CSR project / activity identified	Sector in which project is covered	Projects / Programs	Amount of outlay (budget) – project / program wise	Amount spent on the projects / programs Sub-heads: (1) Direct expenditure on projects / programs (2) Over-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Drinking Water Facilities	Making available clean drinking water to the draught affected citizens of India	Funding for transporting water from Miraj to the draught affected citizens of Latur, Maharashtra	₹ 5.65 Lakhs	Direct Exp.- ₹ 5.65 Lakhs Overhead – NIL	₹ 5.65 Lakhs	₹ 5.65 Lakhs: through Senior. Divisional Railway Manager, Pune

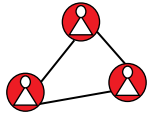
Sr. No.	CSR project / activity identified	Sector in which project is covered	Projects / Programs	Amount of outlay (budget) – project / program wise	Amount spent on the projects / programs Sub-heads: (1) Direct expenditure on projects / programs (2) Over-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
2	Vocational Training	Vocational Training for girl students	Imparting base weld training for girl students from poor families	₹ 4.03 Lakhs	Direct Exp. – ₹ 4.03 Lakhs Overhead - NIL	₹ 4.03 Lakhs	₹ 4.03 Lakhs: through Pragati Foundation, Pune
3	Water Facility	Hot Water facility to school students	Donated Solar water heater to a school run by VKA located near Silvassa Plant	₹ 2.30 Lakhs	Direct Exp. - ₹ 2.10 Lakhs Overhead - ₹ 0.20 Lakh	₹ 2.30 Lakhs	₹ 2.10 Lakhs: Paid directly to Kpower Enersol Pvt. Ltd.
4	Vocational Training	Vocational training to the needy & poor people	Sponsored for funding 'Skill Development Programme' for employment enhancement of the needy people.	₹ 7.18 Lakhs	Direct Exp. - ₹ 7.18 Lakhs Overhead - NIL	₹ 7.18 Lakhs	₹ 7.18 Lakhs: through MCCIA
5	Vocational Training	Vocational Training for poor & needy	Sponsored / donated resistance welding equipment & accessories for taking up Skilling & Entrepreneurship Training Programmes for the poor & needy in partnership with NSDC	₹10.26 Lakhs	Direct Exp. - ₹ 9.25 Lakhs Overhead - ₹ 1.01 Lakh	₹10.26 Lakhs	₹10.26 Lakhs: through MCCIA
6	Vocational Training	Vocational Training for poor & needy	Sponsored 'Skill Development Programme' for poor & needy	₹ 3.92 Lakhs	Direct Exp. - ₹ 3.92 Lakhs Overhead – NIL	₹ 3.92 Lakhs	₹ 3.92 Lakhs through MCCIA
7	Education	Promoting Education for poor & needy in IT	Purchased desktop computers & computer tables	₹ 0.69 Lakh	Direct Exp. - ₹ 0.65 Lakh Overhead - ₹ 0.04 Lakh	₹ 0.69 Lakh	₹ 0.69 Lakh through Vertex Computers
8	Vocational Training	Vocational Training for underprivileged women	Imparting Training Programme for women in Jewelry making in PCMC Area	₹ 1.80 Lakhs	Direct Exp.- ₹ 1.80 Lakhs Overhead – NIL	₹ 1.80 Lakhs	₹ 1.80 Lakhs through Pragati Foundation
9	Vocational Training	Vocational Training for poor & needy	Imparting base weld training for poor & needy	₹ 4.65 Lakhs	Direct Exp.- ₹ 4.65 Lakhs Overhead – NIL	₹ 4.65 Lakhs	₹ 4.65 Lakhs: through MCCIA
10	Vocational Training	Promoting Education for poor & needy	Paid to vendor named "Chaphekar Samittee" for making MS Structure shed for students	₹ 0.70 Lakh	Direct Exp.- ₹ 0.70 Lakh Overhead – NIL	₹ 0.70 Lakh	₹ 0.70 Lakh: through vendor
<b>Total</b>						<b>₹ 41.18 Lakhs</b>	

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6. In case the Company has failed to spend two percent of the average net profits of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amounts in its Board Report - Refer Directors' Report.
7. During FY 2016-17, the implementation and monitoring of CSR Policy was in conformity with the CSR objectives and CSR Policy of the Company.

**Place:** Mumbai

**Date:** 09<sup>th</sup> May, 2017

Aruna B. Advani

**Executive Chairman**

(DIN: 00029256)

For **Ador Welding Limited**

M. K. Maheshwari

**Chairman of the CSR Committee**

(DIN: 00012341)

## Corporate Social Responsibility (CSR) Policy

### Philosophy on CSR:

At Ador Welding Limited (AWL), fulfilling the Corporate Social Responsibility (CSR) primarily means to personify our statement of Corporate Group Vision, i.e. "to foster business excellence, high ethical & social practices and create pride for all stakeholders in ADOR family".

At AWL, we believe in the ethos of Triple-Bottom-Line Approach to achieve a balance of economic, environmental and social imperatives. We ardently endeavour to make CSR a cornerstone of our corporate culture and thereby contribute to the social & economic development of the community, in which we operate.

In pursuit of our commitment to 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.

### Focus areas of CSR:

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

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- Promoting education; including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air & water;
- Taking up Rural development projects;
- 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.

### Organisational mechanism for CSR:

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

### The CSR committee will be in charge for:

- developing the CSR annual strategy, based on the guidelines set by the Companies Act, 2013 & Rules framed thereunder.
- preparing annual plan for CSR activities, project development, project approval, etc.
- deciding on the modalities of execution of programs
- contracting, budgeting & payments.
- monitoring the execution mechanism for CSR projects.
- Periodic reporting and communication to the Board.

### The CSR Committee will ensure the following:

- appropriate organizational structure to effectively identify, monitor & manage CSR issues and performance relevant to our businesses.
- 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:

CSR activities will be implemented either directly, on its own by the Company or through non-profit organisations, which are into CSR activities.

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

### Management Commitment to CSR:

All Adorians will adopt the essence of CSR considerations illustrated in this policy into their day-to-day work activities and will act as role models.

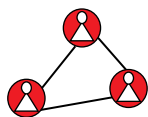
AWL believes that in doing so, we will add significant value to our society.

### Composition of the CSR Committee:

The committee will consist of three or more directors, out of which at least one Director shall be an Independent Director. No sitting fees will be paid to the Members of CSR Committee.

### Functions of the CSR Committee:

- a. To formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company.
- b. Recommend the amount to be spent on these activities.
- c. Monitor the Company's CSR policy periodically.
- d. Preference to be given, to the local areas from where the Company operates, for CSR spending.



## **ANNEXURE III – TO THE DIRECTORS' REPORT**

### **DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO, AS REQUIRED UNDER SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.**

#### **A. Conservation of Energy**

1. In consumable plants, DC Motor and drive are converted to AC Motor and Drive, with latest PLC logic.
2. Change in design of "Die" for wire drawing operation has led to saving of electricity.
3. Many initiatives are taken to increase productivity of manufacturing operations in Electrode Extrusion, SAW Flux Manufacturing, etc. These initiatives have resulted in reduced energy utilization.

#### **B. Technology Absorption**

The Company has 2 (two) Technology Development Centres (TDCs), 1 (one) each for Consumables and Equipment, both located at Chinchwad, Pune in Maharashtra. These TDCs continue to pursue their goals, with renewed vigour, in terms of innovation, upgradation, improvement and cost reduction. These TDCs regularly interact with the market / users for improving the competitive features and performance of the Company's products. Some of the significant technology absorptions / innovations are listed hereunder:

1. Design and development of 500A High current rating AC / DC Pulse TIG welding machine for higher thickness Aluminum and other metal TIG welding. This is having digital LCD display for easy user interface with the machine.
2. Development of high current inverter based plasma cutting machine having cutting capacity of 35 mm, which can be interfaced with CNC machine for automation.
3. Industrial design of 400A inverter based machine with improved features for machine handling has been granted the prestigious "INDIA DESIGN MARK 2017" certificate, which is given for Industrial design in Equipment category.
4. Innovative measurement method has been established for measuring SAW flux fragility and eccentricity.
5. Developed and introduced the pulse MIG welding machine for pulse MIG process by developing the innovative algorithm for producing the current pulses and stable arc length. This algorithm has been developed for various combinations of Material and shielding gases.
6. Following components are developed locally as import substitute:
  - a) Ferrite transformer of 300A inverter machines.
  - b) Current-sensors for sensing welding current.
7. **Energy Conservation and Safety:**
  - a) CE marking was awarded to model CHAMP T400. For complying with CE marking requirement, machine has to be tested for safety, with respect to Electrical Hazards and Fire Hazards. Apart from safety hazards, CE marked machines should not produce any electrical pollution like Current Harmonics and should not emit electromagnetic noise on electric supply lines.
  - b) Introduced new environmental friendly packaging material called Expanded Polyethylene Foam for packing machines.
  - c) Designed and implemented the innovative active power factor correction circuit for single phase machines, which provides power factor of almost equal to one.



**8. Summary of expenditure on R & D:**

<b>Particulars</b>	(₹ in Lakhs)	
	<b>FY 2016-17</b>	<b>FY 2015-16</b>
Capital	<b>92</b>	14
Recurring	<b>416</b>	371
<b>Total</b>	<b>508</b>	385
Total R & D expenditure as a percentage of total turnover	<b>1.13%</b>	0.93%

**C. Foreign Exchange Earnings & Outgo:**

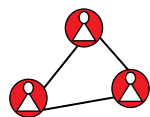
<b>Particulars</b>	(₹ in Lakhs)	
	<b>FY 2016-17</b>	<b>FY 2015-16</b>
Foreign Exchange Earnings	<b>9,604</b>	4,163
Foreign Exchange Outgo	<b>3,770</b>	4,516

**For and on behalf of the Board**

Aruna B. Advani  
**Executive Chairman**  
(DIN: 00029256)

**Date:** May 09, 2017

**Place:** Mumbai



## ANNEXURE IV – TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

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

#### A) Mandatory Requirements

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

The Company believes that the sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company are essential for 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 motivational 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.

##### 2) Board of Directors

###### **Composition, Number of Meetings held and Attendance:**

The Board of Directors of the Company comprises of 12 (twelve) Directors consisting of 3 (three) Executive / Whole-time Directors and 9 (nine) Non-Executive Directors including 6 (six) Independent Directors. There are 2 (two) women Directors on the Board.

The Meetings of the Board of Directors are usually held at the Registered Office of the Company. The Meetings are scheduled well in advance and the intimation of each Board Meeting is given in writing to each Director about 8 to 10 weeks before the scheduled date of the Meeting. The Board of Directors meet, generally once in a quarter, primarily to review the quarterly performance and financial results of the Company, amongst other things.

The Company Secretary, in consultation with the Executive Chairman and the Managing Director, prepares detailed Agenda for the Board Meetings. All the necessary documents including Annexures, Explanatory Notes, etc., are circulated, along with the Agenda, to all the Directors about 7 to 10 days in advance. The Board Members are also free to recommend inclusion of any other matter in the Agenda, for discussion in the Board Meeting.

During FY 2016-17 under review, the Board of Directors met 4 (four) times, i.e. on 10<sup>th</sup> May 2016, 28<sup>th</sup> July 2016, 24<sup>th</sup> October 2016 and 07<sup>th</sup> February 2017. Details of the Board Meetings held during FY 2016-17 are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors Present
1	10 <sup>th</sup> May, 2016	12	11
2	28 <sup>th</sup> July, 2016	12	11
3	24 <sup>th</sup> October, 2016	12	12
4	07 <sup>th</sup> February, 2017	12	12

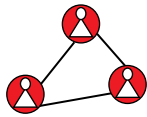
The composition of the Board of Directors, attendance at the Board Meetings held during FY 2016-17 and at the last Annual General Meeting, number of Directorships in other Companies & Membership of Committees across other Companies, in which the Director is a Member / Chairman, are given below:

Sr. No.	Name of the Director	Category of Directorship	Financial Year 2016-17 Attendance at		As on March 31, 2017		
			Board Meetings	Last AGM (28 <sup>th</sup> July, 2016)	No. of other Directorships #	Committee Positions @	
						No. of Memberships	No. of Chairmanships
1	Ms. A. B. Advani	Executive	4	Present	2	2	Nil
2	Mr. S. M. Bhat	Executive	4	Present	Nil	Nil	Nil
3	Mrs. N. Malkani Nagpal	Executive	4	Present	3	3	Nil
4	Mr. R. A. Mirchandani	Non-Executive	3	Absent	2	Nil	2
5	Mr. A. T. Malkani	Non-Executive	4	Present	1	Nil	Nil
6	Mr. D. A. Lalvani	Non-Executive	4	Present	2	3	1
7	Mr. M. K. Maheshwari	Independent & Non-Executive	4	Present	3	1	1
8	Mr. P. K. Gupta	Independent & Non-Executive	4	Present	Nil	Nil	Nil
9	Mr. R. N. Sapru	Independent & Non-Executive	4	Present	Nil	Nil	Nil
10	Mr. K. Digvijay Singh	Independent & Non-Executive	4	Present	1	Nil	Nil
11	Mr. G. M. Lalwani	Independent & Non-Executive	4	Present	1	Nil	Nil
12	Mr. S. G. Mirchandani	Independent & Non-Executive	3	Present	2	2	Nil

# Excludes Directorships in Ador Welding Ltd., Foreign Companies, Private Limited Companies and Charitable Companies, if any.

@ 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, across all the Companies in which he / she is a Director, as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. None of the Directors of the Company are related to each other. All the Non-Independent Directors, except the Managing Director, are liable to retire by rotation. The Executive Chairman is also liable to retire by rotation.



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

**Broad Terms of Reference / Functions of the Board:**

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 of the Company and its Operating Divisions / Business Segments.
- Audited Financial Results of the Company.
- Minutes of the Meetings of the Board, Committees of the Board & Subsidiaries of the Company.
- The information on recruitment and remuneration of senior officers, just below the Board level, including the appointment & / or removal of CFO & CS.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations by the Company, or substantial non-payment of goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Risk Mitigation plans / updates.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Significant labour problems and their proposed solutions.
- Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Quarterly / Half yearly / Yearly details of financials & other material information of Subsidiary Companies.
- Sale of material nature of investments, subsidiaries, assets, etc. which are not in the normal course of business.
- Quarterly details of Foreign Exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services, such as non-payment of dividend, delay in share transfers, etc.
- Updates on working of Subsidiaries.

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

**Code of Conduct:**

The Board of Directors has laid down a 'Code of Conduct' for all the Board Members and Senior Management Personnel of the Company. The 'Code of Conduct' has also been posted onto the website of the Company <http://www.adorwelding.com/corporate/code-of-conduct/for-directors-senior-management.html> All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for FY 2016-17.

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.

**3) Audit Committee**
**Broad Terms of Reference / Functions of the Committee:**

The Audit Committee reviews and ensures that financial statements are correct, sufficient and credible with reference, particularly, to the requirements, as enumerated under Part C of Schedule II of 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 auditors on the internal control systems, scope of audit including the observations of the auditors and review of the financial reports before they are submitted to the Board.
- To discuss any related issues with the Internal & Statutory Auditors and the Management of the Company.
- To evaluate adequacy of Risk Management System and Risk Mitigation.
- To investigate into any matter in relation to the items referred to it by the Board.
- To have full access to the information contained in the records of the Company.
- To seek information from any employee.
- To obtain professional advice from external sources.
- To secure attendance of outsiders with relevant expertise in the meeting, if it considers necessary.
- To invite Auditors or any experts to the meeting.

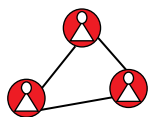
**Composition, Number of Meetings held and Attendance:**

During FY 2016-17 under review, 4 (four) Audit Committee Meetings were held, i.e. on 10<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 24<sup>th</sup> October, 2016 and 07<sup>th</sup> February, 2017.

On 10<sup>th</sup> May, 2016, the Audit Committee was reconstituted by the Board of Directors by inducting Mr. D. A. Lalvani in place of Mrs. N. Malkani Nagal.

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

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers apropos, to be present at any of the Audit Committee Meetings. In all the Audit Committee Meetings held in FY 2016-17, Senior Executives and Auditors of the Company were invited.



The composition of the Audit Committee and attendance at the Meetings held in FY 2016-17 is given hereunder:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2016-17
1	Mr. M. K. Maheshwari	Chairman	Non-Executive & Independent Director	4
2	Mr. K. Digvijay Singh	Member	Non-Executive & Independent Director	4
3	Mr. P. K. Gupta	Member	Non-Executive & Independent Director	4
4	Mr. D. A. Lalvani ^	Member	Non-Executive Director	3
5	Mrs. N. Malkani Nagpal*	Member	Whole – Time Director	1

\*Till 10<sup>th</sup> May, 2016

^ From 11<sup>th</sup> May, 2016

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

#### 4) **Nomination & Remuneration Committee**

##### ***Broad Terms of Reference / Functions of the Committee:***

The Committee is vested with all the crucial powers and authority to ensure appropriate disclosures of the remuneration of Directors and to deal with all the elements of remuneration packages w.r.t. all the Directors. The Nomination & Remuneration Committee recommends to the Board the compensation terms of the Directors & Senior Management. The Committee functions in line with the Nomination & Remuneration Committee Charter, prepared in accordance with the Companies Act, 2013 & 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, amongst other things:

- i. Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. Formulating the criteria for evaluation of Independent Directors and the Board.
- iii. Devising a policy on Board diversity.
- iv. 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.
- v. Ensuring that the level and composition of remuneration is reasonable & sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully & efficiently.
- vi. Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- vii. Ensuring that the remuneration of the Directors, Key Managerial Personnel and senior management involves a balance between fixed and variable pay, reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.
- viii. Carrying out evaluation of every Director's performance, including the Independent Directors.
- ix. Reviewing and recommending to the Board, the following:

- a) Appointment / re-appointment of the Whole-time Directors and the Non-executive Directors, including contract terms, performance criteria / targets, fees, travel and other benefits, etc.
  - b) "Remuneration Report" in accordance with the Companies Act, 2013 for inclusion in the Directors' Report.
  - c) "Remuneration Policy"
    - for the Whole-time / Executive Directors and Non-executive Directors;
    - for the Key Managerial Personnel & Senior Management; and
    - for other employees.
  - d) The size, qualification and composition of the Board.
  - e) Short-term incentive strategy, performance targets and bonus payments for the Executive Directors.
  - f) Offers, under the Company's employee equity incentive plans, if any, in respect of any financial year.
- x. Reviewing major changes and developments in the Company's remuneration, recruitment, retention, superannuation arrangements, human resource practices and employee relations.
  - xi. 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 2016-17 under review, 2 (two) Nomination & Remuneration Committee Meetings were held, i.e. on 10<sup>th</sup> May, 2016 and 28<sup>th</sup> July, 2016.

On 10<sup>th</sup> May, 2016, the Nomination & Remuneration Committee was reconstituted by the Board of Directors by inducting Mr. D. A. Lalvani in place of Mr. A. T. Malkani.

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

The composition of the Nomination & Remuneration Committee and the attendance at its Meetings are given hereunder:

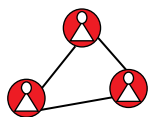
Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2016-17
1	Mr. R. N. Sapru	Chairman	Non-Executive & Independent Director	2
2	Mr. M. K. Maheshwari	Member	Non-Executive & Independent Director	2
3	Mr. D. A. Lalvani ^	Member	Non-Executive Director	1
4	Mr. A. T. Malkani *	Member	Non-Executive Director	1

\* **Till 10<sup>th</sup> May, 2016**

^ **From 11<sup>th</sup> May, 2016**

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





### **Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Nomination & Remuneration Committee has laid down the criteria for performance evaluation of the Directors, including the Independent Directors, which shall be carried out for / by the entire Board of Directors. The evaluation is based on various parameters as stated below:

- Participation in the Board Meetings and Annual General Meetings of the Company.
- 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 the business.
- Concern towards the holistic development of the Company - short term as well as long term.

The evaluation process takes place through self evaluation of Directors and evaluation by the peers. The performance evaluation of Independent Directors is done by the entire Board of Directors. However, in the said evaluation, the Director who is subject to evaluation does not participate.

### **Remuneration Policy for Directors:**

Pursuant to the requirements of the Companies Act, 2013 and Part D(A)(1) of Schedule II of 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 the following, amongst other things:

#### **1. Remuneration to the Executive Directors:**

The remuneration of the Whole-time / Executive Director(s) is decided by the Nomination & Remuneration Committee, based on the criteria such as industry benchmarks, Company's performance vis-à-vis Industry performance / track record of the 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 the Companies Act, 2013 to all / each of its Whole-time / Executive Director(s) such that the total remuneration (including commission / bonus), as decided by the Board of Directors in its absolute discretion, does not exceed the limits prescribed under Section 197 and Schedule V to the Companies Act, 2013. Bonus / Performance Incentive and Commission is payable to the Managing Director, subject to the achievement of performance criteria / parameters laid down by the Board of Directors from time to time.

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

#### **2. Remuneration to the Non-executive Directors:**

As required under Schedule V(C)(5)(b) of 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:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/criteria\\_for\\_payment\\_to\\_NEDs.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/criteria_for_payment_to_NEDs.pdf)

The details / summary of the remuneration paid / payable to all the Directors for FY 2016–17 are given below:-

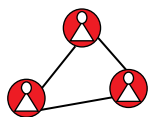
(₹ in lakhs)

Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission ₹	Sitting Fees @ ₹	Total
1	Ms. A. B. Advani	129.92	7.32	-	2.97	-	140.21
2	Mr. S. M. Bhat	97.40	1.03	22.00	11.88	-	132.31
3	Mrs. N. Malkani Nagpal	93.85	2.60	-	2.97	-	99.42
4	Mr. R. A. Mirchandani	-	-	-	3.30	0.45	3.75
5	Mr. A. T. Malkani	-	-	-	3.30	0.65	3.95
6	Mr. D. A. Lalvani	-	-	-	3.30	0.89	4.19
7	Mr. M. K. Maheshwari	-	-	-	3.30	0.82	4.12
8	Mr. P. K. Gupta	-	-	-	3.30	0.72	4.02
9	Mr. R. N. Sapru	-	-	-	3.30	0.50	3.80
10	Mr. K. Digvijay Singh	-	-	-	3.30	0.72	4.02
11	Mr. G. M. Lalwani	-	-	-	3.30	0.40	3.70
12	Mr. S.G. Mirchandani	-	-	-	3.30	0.30	3.60
<b>TOTAL</b>		<b>321.17</b>	<b>10.95</b>	<b>22.00</b>	<b>47.52</b>	<b>5.45</b>	<b>407.09</b>

# **Fixed Component**  
 @ **As Member / Invitee, wherever applicable**  
 ₹ **Excluding Service Tax**

**Notes:**

- The Agreement with the Executive Chairman is for a period of five years. Either party to the Agreement is entitled to terminate the Agreement by giving six months' notice to the other party, as mentioned in the Agreement.
- Performance linked incentive for the Executive Chairman as per the Agreement is Commission upto 1% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013.
- The Agreement with the Managing Director is for a period of three years. Either party to the Agreement is entitled to terminate the Agreement by giving three months' notice to the other party, as mentioned in the Agreement.
- Performance Criteria for variable pay of the Managing Director for FY 2016-17 was as follows:
  - (1) Bonus upto 0.05% of the targeted net sales.
  - (2) Commission upto 0.50% of the Net Profits, subject to the achievement of targets.
- The Agreement of the Whole-Time Director is for a period of three years. Either party to the Agreement is entitled to terminate the Agreement by giving three months' notice to the other party, as mentioned in the Agreement.
- All the Promoter Directors, including the Executive Chairman & Whole – Time Director, are liable to retire by rotation.
- According to the Articles of Association of the Company, the Managing Director is not liable to retire by rotation.



- As per the Companies Act 2013, none of the Independent Directors retire by rotation.
- The Company does not have any stock option scheme for its Directors or employees.
- Severance Fees: NIL

## 5) Stakeholders Relationship Committee

### **Broad Terms of Reference / Functions of the Committee:**

The Stakeholders Relationship Committee of the Board looks into the redressal of investors' complaints like non-receipt of Annual Report, Dividend, Share Certificates, etc. and the matters related to share transfers, issue of duplicate share certificates, dematerialisation / rematerialisation of shares, transmission of shares and other allied transactions. It also empowers few executives of the Company to process the share transfer, etc.

The status / summary on / 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.

### **Composition, Number of Meetings held and Attendance:**

During FY 2016-17 under review, 4 (four) Stakeholders' Relationship Committee Meetings were held, i.e. on 09<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 24<sup>th</sup> October, 2016 and 06<sup>th</sup> February, 2017.

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 2016-17
1	Mr. D. A. Lalvani *	Chairman	Non - Executive Director	4
2	Mrs. N. Malkani Nagpal	Member	Whole - Time Director	4
3	Mr. A. T. Malkani	Member	Non - Executive Director	4
4	Mr. R. A. Mirchandani ^	Member (Ex-Chairman)	Non - Executive Director	3

\* From 28<sup>th</sup> July, 2016

^ Till 27<sup>th</sup> July, 2016

The Minutes of each of the Stakeholders' Relationship Committee Meetings are placed before the Board of Directors and discussed in the Board Meeting.

### **Compliance Officer:**

Mr. V. 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 share transfers are given below:**

- The total number of complaints received and replied to the satisfaction of the shareholders during FY 2016-17 is 10.
- There was 1 (one) outstanding complaint as on 31<sup>st</sup> March, 2017.
- There was 1 (one) pending share transfer case in physical segment and none in the demat category. Out of all the requests received upto 31<sup>st</sup> March, 2017 for share transfers, 1 (one) is under process as on date by the Registrar & Share Transfer Agent of the Company.

The Statement of **Directors' Shareholding** is as under:

Sr. No.	Name of the Director	Shareholding (No. of Shares)	
		As on 31 <sup>st</sup> March, 2017	As on 09 <sup>th</sup> May, 2017
1	Ms. A. B. Advani	2,95,480	2,95,480
2	Mr. S. M. Bhat	Nil	Nil
3	Mrs. N. Malkani Nagpal	57,352	57,352
4	Mr. R. A. Mirchandani	8,002	8,002
5	Mr. A. T. Malkani	1,03,626	1,03,626
6	Mr. D. A. Lalvani	21,642	21,642
7	Mr. M. K. Maheshwari	Nil	Nil
8	Mr. P. K. Gupta	Nil	Nil
9	Mr. R. N. Sapru	Nil	Nil
10	Mr. K. Digvijay Singh	Nil	Nil
11	Mr. G. M. Lalwani	10	10
12	Mr. S. G. Mirchandani	Nil	Nil

## 6) Corporate Social Responsibility (CSR) Committee

### **Broad Terms of Reference / Functions of the Committee:**

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

- formulating & recommending to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII to the Companies Act, 2013.
- recommending the annual budget of the CSR activities which indicates the amount of expenditure to be incurred on the CSR projects / programmes.
- monitoring the implementation of the CSR Policy of the Company from time to time.
- setting up a transparent system to oversee the implementation of the CSR activities / projects / programmes.

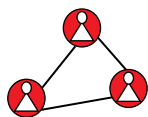
A CSR Policy is formulated & approved by the Board, as mandated under the provisions of Section 135 of the Companies Act, 2013. The CSR Policy & CSR activities / strategies for FY 2017-18 is posted onto the Company's website on the following web-link:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/CSR-Policy-FY-2017-18\\_new.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/CSR-Policy-FY-2017-18_new.pdf)

### **Composition, Number of Meetings held and Attendance:**

During FY 2016-17 under review, 4 (four) CSR Committee Meetings were held, i.e. on 10<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 24<sup>th</sup> October, 2016 and 07<sup>th</sup> February, 2017.

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 2016-17
1	Mr. M. K. Maheshwari	Chairman	Non - Executive & Independent Director	4
2	Ms. A. B. Advani	Member	Executive Chairman	4
3	Mr. S. M. Bhat	Member	Managing Director	4
4	Mr. D. A. Lalvani	Member	Non - Executive Director	4

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

## 7) General Body Meetings

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

Sr. No.	Financial Year	Date	Location	Time
1	2015-16	28 <sup>th</sup> July, 2016	Walchand Hirachand Hall, Mumbai	03:30 pm
2	2014-15	30 <sup>th</sup> July, 2015	Walchand Hirachand Hall, Mumbai	03:30 pm
3	2013-14	28 <sup>th</sup> July, 2014	Walchand Hirachand Hall, Mumbai	03:30 pm

All the special resolutions moved in the previous three (3) Annual General Meetings were passed by majority of the Members present at the Meeting and there were 4 (four) special resolutions during last year. No special resolution was put through postal ballot during last year. However, the Company had provided an e-voting facility to its Members and a poll (physical ballot) was conducted at the 63<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> July, 2016. All the resolutions were passed with requisite majority thereat.

The summary of outflow on account of Dividends & Dividend Tax for the last Eight (8) years along with the percentage & type of Dividend is given below:

Sr. No.	Financial Year	Dividend %	Type	Dividend Outflow (₹ in lakhs)	Dividend Tax Outflow (₹ in lakhs)	Total Outflow (₹ in lakhs)	Profit After Tax (PAT) (₹ in lakhs)	% of Dividend & Tax Outflow to PAT
A	B	C	D	E	F	G = (E+F)	H	I = (G/H)%
1	2016-17	50\$	Final	679.92	138.42	818.34	1,867.00	43.83
2	2015-16	50	Final	679.92	138.42	818.34	2,264.76	36.13
3	2014-15	50	Final	679.92	138.42	818.34	3,237.32	25.28
4	2013-14	50	Final	679.92	115.55	795.47	422.70	188.19
5	2012-13	60	Final	815.91	132.36	948.27	1,908.02	49.70
6	2011-12	60	Final	815.91	132.36	948.27	2,089.11	45.39
7	2010-11	60	Final	815.91	135.51	951.42	2,569.11	37.03
8	2009-10	60	Final	815.91	135.51	951.42	2,633.52	36.13

\$ subject to the approval of the Members at the ensuing AGM

## 8) Independent Directors' Meeting and Familiarisation Programme for Independent Directors

### 8.1 Independent Directors' Meeting:

During the year under review, the Independent Directors met on 07<sup>th</sup> February, 2017, inter alia, to discuss the following:

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

All the Independent Directors were physically present at the meeting, except for Mr. M. K. Maheshwari, who was present through electronic mode (video conference).

### 8.2 Familiarisation Programme for Independent Directors:

Pursuant to Regulation 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company carried out Familiarisation Programme for the Independent Directors on their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through which the Independent Directors were briefed on the affairs of the Company. The methodology of the Familiarisation Programme is uploaded on the following web link:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/familiarisation\\_programme\\_for\\_independent\\_directors.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/familiarisation_programme_for_independent_directors.pdf)

Further, a summary of the programs conducted for the Independent Directors during FY 2016-17 with relevant details is also uploaded on the website at the following weblink:-

[http://www.adorwelding.com/images/pdf/corporate\\_policies/details-of-familiarisation-program-for-independent-directors.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/details-of-familiarisation-program-for-independent-directors.pdf)

## 9) Disclosures

### 9.1 Materially significant related party transactions:

During FY 2016–17 under review, there were no materially significant Related Party Transactions of the Company with its Promoters, Directors or the Senior Management Personnel or their relatives, as well as its subsidiaries, etc. that had a potential conflict with the interest of the Company at large.

### 9.2 Policy for entering into Related Party Transactions:

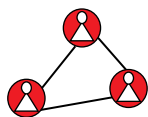
The Company has formulated Related Party Transactions Policy, as required under the provisions of the Companies Act, 2013 & Regulation 23 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and the same is uploaded on the Company's website:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/RPT\\_policy.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/RPT_policy.pdf)

### 9.3 'Material' Subsidiaries:

Pursuant to Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Policy for determining 'material' subsidiaries has been adopted by the Company, and the same is uploaded on the following web link:

[http://www.adorwelding.com/images/pdf/corporate\\_policies/material\\_Subsiidiary\\_print.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/material_Subsiidiary_print.pdf)



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

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

**9.5 Vigil Mechanism - Whistle Blower Policy:**

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

[http://www.adorwelding.com/images/pdf/corporate\\_policies/whistle\\_Blower\\_cum\\_Vigil\\_Mechanism\\_Policy.pdf](http://www.adorwelding.com/images/pdf/corporate_policies/whistle_Blower_cum_Vigil_Mechanism_Policy.pdf)

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

**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: [www.adorwelding.com](http://www.adorwelding.com). Hence, the financial results are not sent to the shareholders' residence. Annual Report is e-mailed to the Shareholders, whose e-mail ID's are registered with the Company / RTA / DP and posted / couriered to other shareholders who either do not have e-mail IDs or whose e-mail IDs are not registered with the Company / RTA / DP.

**10.2** During FY 2016-17, 3 (three) Analyst / Institutional Investor Meets were held i.e. on 05<sup>th</sup> August, 2016, 07<sup>th</sup> November, 2016 and 23<sup>rd</sup> February, 2017. The presentations made to the Institutional Investors / Analysts are uploaded onto the website of the Company along with the relevant details at the following web-links:

<http://www.adorwelding.com/images/pdf/InvestorMeet05082016.pdf>

<http://www.adorwelding.com/images/pdf/investorsmeet07nov2016.pdf>

<http://www.adorwelding.com/images/pdf/investor-meet-23-feb-2017.pdf>

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

**11) General Shareholder Information**

**Annual General Meeting:**

<b>Day, Date and Time</b>	Thursday, 31 <sup>st</sup> August, 2017 at 11:00 am
<b>Venue</b>	Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai - 400 020, Maharashtra, India.
<b>Financial Year</b>	01 <sup>st</sup> April, 2016 – 31 <sup>st</sup> March, 2017
<b>Book Closure Date</b>	Friday, 25 <sup>th</sup> August, 2017 to Thursday, 31 <sup>st</sup> August, 2017
<b>Dividend Payment Day and Date</b>	By Wednesday, 06 <sup>th</sup> September, 2017
<b>Financial Calendar for FY 2017-18</b>	Financial (unaudited) Reporting for the quarter ending June 2017 – by 14 <sup>th</sup> September, 2017 Financial (unaudited) Reporting for the quarter ending September 2017 – by 14 <sup>th</sup> November, 2017 Financial (unaudited) Reporting for the quarter ending December 2017 – by 14 <sup>th</sup> February, 2018 Financial (audited) Reporting for the year ending March 2018 – by 31 <sup>st</sup> May, 2018



**Listing:**

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

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

**Annual Listing Fees and Custodial Fees:**

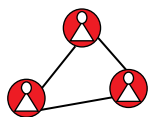
The annual listing fees and custodial fees for the financial year 2016-17 have been paid by the Company within the stipulated time.

**Market Price Data:**

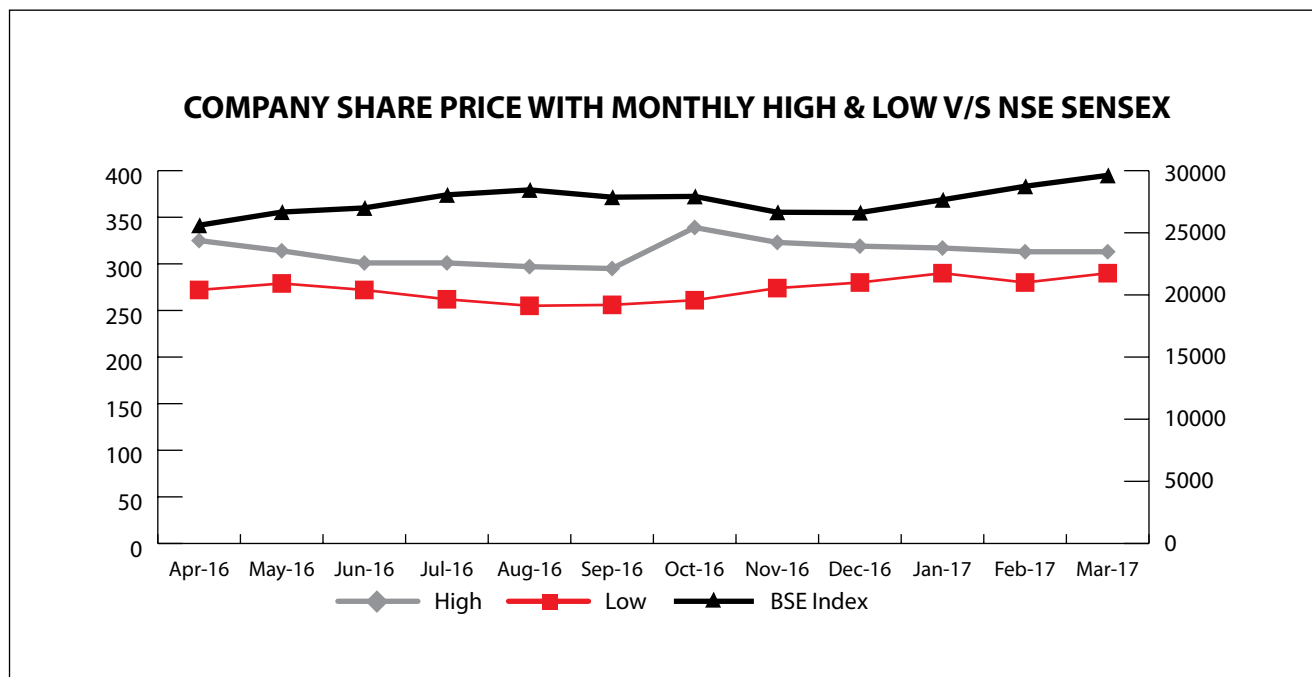
Mark / Price data during each month of FY 2016-17 is given hereunder:

INDEX	BSE				NSE			
	High (₹)	Low (₹)	No. of Shares	No. of Trades	High (₹)	Low (₹)	No. of Shares	No. of Trades
April, 2016	325.00	272.00	27,778	1,517	330.00	270.00	71,937	3,588
May, 2016	314.00	278.90	22,893	1,811	314.00	279.00	1,11,935	4,176
June, 2016	301.00	272.10	22,146	2,407	303.80	271.00	74,705	3,933
July, 2016	301.00	261.95	23,379	1,782	299.85	260.80	1,19,458	4,209
August, 2016	296.85	255.00	1,24,970	1,444	295.50	251.00	1,67,831	4,443
September, 2016	295.00	256.00	24,761	1,083	297.00	258.00	57,714	2,436
October, 2016	338.80	261.25	1,42,988	5,114	338.40	262.35	6,61,092	17,750
November, 2016	323.00	274.00	69,194	3,438	324.00	265.00	1,88,576	7,556
December, 2016	319.00	280.40	20,475	1,525	315.00	276.50	65,972	3,683
January, 2017	317.45	290.00	16,629	991	314.05	287.85	69,965	2,826
February, 2017	312.55	280.00	36,953	1,162	315.00	283.85	71,493	3,173
March, 2017	313.00	289.95	13,394	1,630	315.90	288.80	97,856	4,291





### Performance in comparison to BSE Sensex:



### Registrar & Share Transfer Agent:

- The name of the Registrar & Share Transfer Agent (RTA) of the Company is **M/s. Sharex Dynamic (India) Pvt. Ltd.**
- The share transfer for both, physical and electronic (demat) segment, is handled by the Company's RTA at the following address:

**M/s. Sharex Dynamic (India) Pvt. Ltd.**

Unit No.1, Luthra Industrial Premises,

Andheri Kurla Road, Safed Pool,

Andheri (East), Mumbai – 400 072.

Maharashtra, INDIA

**Tel:** +91 22 2851 5606 / 44 / 6338

**Website:** [www.sharexindia.com](http://www.sharexindia.com)

**E-mail:** [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

### Share Transfer System:

Shares lodged for transfer with RTA of the Company are normally processed within a period of 15 days from the date of lodgement, provided the documents are clear in all respects. All requests for dematerialisation of shares are 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 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 31<sup>st</sup> March, 2017:**

Sr. No.	Range of Shareholding	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1	1-100	7,087	50.60	3,70,732	2.73
2	101-200	3,079	21.99	4,86,883	3.58
3	201-500	3,060	21.85	8,86,904	6.52
4	501-1,000	415	2.96	3,24,502	2.39
5	1,001-5,000	284	2.03	6,10,564	4.49
6	5,001-10,000	29	0.21	2,07,702	1.53
7	10,001-1,00,000	41	0.29	13,77,761	10.13
8	1,00,001 and above	10	0.07	93,33,419	68.63
<b>TOTAL</b>		<b>14,005</b>	<b>100.00</b>	<b>1,35,98,467</b>	<b>100.00</b>

**Shareholding Pattern (category wise) as on 31<sup>st</sup> March, 2017:**

Sr. No.	Category	No. of Shares Held	% of Total Shareholding
1	Promoters	77,09,027	56.69
2	Mutual Funds	22,48,813	16.54
3	Banks / Financial Institutions / State Govt.	5,167	0.04
4	FIs	3,925	0.03
5	Insurance Companies	10	0.00
6	NRIs / OCBs	3,98,397	2.93
7	Private Corporate Bodies	2,43,883	1.79
8	Resident Individuals & others	29,72,483	21.86
9	Clearing Members	16,762	0.12
<b>TOTAL</b>		<b>1,35,98,467</b>	<b>100.00</b>

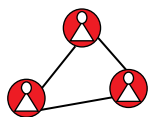
**Dematerialisation of Shares and Liquidity:**

- 1,28,09,921 Equity shares of the Company, representing about 94.61% of the total shares of the Company, have been dematerialized as on 31<sup>st</sup> March, 2017.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in dematerialised form with effect from 08<sup>th</sup> May, 2000 and are available for trading on both the depositories of India, i.e. M/s. National Securities Depository Ltd. (NSDL) & M/s. Central Depository Services (India) Ltd. (CDSL).

**Statutory Compliance:**

During FY 2016-17 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 and the Listing Agreements.

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 31<sup>st</sup> March, 2017:

<b>Raipur Plant</b>	<b>Chinchwad Plant</b>
Bilaspur Road, Industrial Estate, Raipur - 493 221. Chattisgarh, INDIA	Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019. Maharashtra, INDIA
<b>Chennai Plant</b>	<b>Silvassa Plant</b>
Melakottaiyur via Vandalur, Chennai - 600 048. Tamil Nadu, INDIA	Survey No. 59/11/-1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230. U. T. of Dadra & Nagar Haveli, INDIA

**Address for Correspondence:****Ador Welding Limited**

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

**B) Non Mandatory Requirements****Chairman of the Board:**

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

**Shareholder's 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 to the shareholders of the Company, individually. The Company's Quarterly / Half Yearly / Annual Audited 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 the Chairman (Executive), being Ms. A. B. Advani and the Managing Director (CEO), being Mr. S. M. Bhat.

**Training of Board Members:**

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

- **Reporting of Internal Auditors:**

M/s. Kirtane & Pandit, Chartered Accountants, Pune were appointed as the Internal Auditors of the Company for FY 2016-17 to conduct the Internal Audit at all its Plant & sales (area) office locations, as per the scope approved by the Audit Committee.

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 09<sup>th</sup> May, 2017

Aruna B. Advani  
**Executive Chairman**  
(DIN: 00029256)

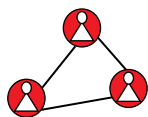
### **Declaration by the Managing Director pursuant to Regulation 34(3) and Schedule V - Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As the Managing Director of Ador Welding Limited and as required pursuant to Regulation 34(3) and Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of Board of Directors and Senior Management Personnel of Ador Welding Limited have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management, adopted by the Company, for FY 2016-17.

**Mumbai, 09<sup>th</sup> May, 2017**

**For Ador Welding Limited**

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



## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Ador Welding Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 6 February 2017.
2. We have examined the compliance of conditions of corporate governance by Ador Welding Limited ("the Company") for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to 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 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 2017.

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

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

For **Walker Chandiok & Co. LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

per Sudhir N. Pillai

**Partner**

**Membership No:** 105782

**Place:** Mumbai

**Date:** 9 May 2017

## ANNEXURE V - TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### 1. INDUSTRY STRUCTURE & DEVELOPMENTS

The last Financial Year (FY) 2016-17 was indeed an eventful year. The government in November 2016 announced demonetisation of 500 and 1,000 rupee notes with the aim of monetising unaccounted money. This resulted in banks getting abnormally high inflow of deposits in current and saving accounts boosting their ability to lend for economic activity. The government was also able to get unanimous approval for the much awaited Goods and Services Tax (GST), which will be effective from 01<sup>st</sup> July, 2017.

During the year 2016-17 Indian markets witnessed significant FDI and FII inflows. Monsoon was good, there was no Inflationary pressure and fiscal deficit was under control. All this resulted in lower interest rates and strengthening of the Indian rupee. However Banks continued to be saddled with bad loans affecting their ability to lend for new projects set up by the private sector. Government continued to invest in core sectors of the economy, mainly Railways, Infrastructure, Defence and new emerging 'skilling' sector.

We continued with our Market Share strategy, offering technologically advanced products and customer specific solutions. Our initiatives of introducing new products and providing solutions to customers played a critical role in strengthening our market presence and addressing new markets. We continued to grow in both the segments.

Margins were under pressure due to introduction of MIP by Government which allowed domestic steel manufacturers to raise the prices of steel in a subdued market condition while welding consumables manufacturers were unable to pass on the price increase, to its customers.

#### 2. OPPORTUNITIES & THREATS

Implementation of GST is expected to establish a level playing field in the industry (One Nation One Tax). Our continued R & D focus on developing new products and solutions will

enable us to address new opportunities in the areas of Automobiles & Wind Power, which is expected to drive growth, apart from our thrust in sectors such as Railways, Infrastructure, Transport & Defence.

Focus on manufacturing efficiency to build a cost advantage will give us competitive edge in the market. Continuous focus on market penetration, nationwide as well as overseas, by enhancing our strong distributor network is enabling us reach out to more number of end users.

Liquidity is improving at a gradual pace but remains a key concern for us, and also for our dealers & distributors.

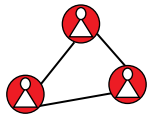
We expect business sentiments to improve and are ready for every emerging opportunity.

#### 3. RISKS & CONCERNS

The economy in FY 2016-17 which was on a gradual recovery path is expected to pick up post implementation of GST, which we believe will have a significant impact on the business operations in FY 2017-18. The long awaited turnaround in manufacturing and CAPEX cycle would be a key determining factor for market growth in FY 2017-18, in the absence of which, fierce competition for market share may continue.

The appreciating Rupee continues to pose risk of imports from some countries and affect export realizations. In this scenario, coupled with slow growth in private domestic investments, margins would continue to be under pressure. To address these concerns, building efficiencies through line balancing, low cost automation and production efficiency remains a key focus of our strategy.

Working Capital continues to be one area of concern, putting stress on cash flow due to slower sales collections and project, with long gestation periods.



#### 4. INCOME STATEMENT ANALYSIS

The total operating revenues for the year ended 31<sup>st</sup> March, 2017 reported a growth of 8.31%. The Consumables business revenue for the year was ₹ 28,235 Lakhs, registering a growth of 2.78% over the previous year. The Equipment and Project Engineering Business revenue for the year was ₹15,822 Lakhs, registering a growth of around 19.75% over the previous year.

Other income of ₹ 940 Lakhs mainly consisted of forex gains, interest income and profit on sale of investments. Expenditure to sales ratio increased to 96% as against 93% in the previous year. However, various initiatives taken at Plants like lean manufacturing, line balancing, etc. helped us trim down manufacturing overheads.

We are continuously working towards improving margins through sale of high value products, focusing on Project Engineering Business and also through strategic sourcing. EBITDA before exceptional items is lower at ₹ 4,034 Lakhs (PY ₹ 4,630 Lakhs) on account of increase in material cost.

#### 5. BALANCE SHEET ANALYSIS

The Company funded all its operating expenses for welding business and capital investment from its internal accruals. Inventory holding period continues to be 39 days as in the previous financial year. Debtors are at 64 days and creditors are at 84 days. The Company availed Working Capital Loan for its PEB project and for financing exports. The amount outstanding as at 31<sup>st</sup> March, 2017 is ₹ 2,800 Lakhs.

#### 6. OUTLOOK

The Indian Economy is expected to grow at a rate of around 7.2% in FY 2017-18 as per IMF. India continues to remain the bright spot in the global economy and is expected to overtake China to become the fastest growing economy.

The GST is expected to bring about a level playing field encouraging competition on the supply side, and make goods cheaper to end consumer, catalysing the demand scenario.

#### 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

- Financial propriety of business transactions.
- Manufacturing operations and processes.
- Accurate reporting of financial transactions, as per the applicable Accounting Standards.
- Efficient use and protection of resources of the Company.
- Compliance with the established Company policies, guidelines and statutes.

The Company has a well-defined Internal Audit System. The scope of Internal Audit is finalised in consultation with the Statutory Auditors and approved by the Audit Committee. The audit plan is focused on the following objectives:

- All operational and related activities are performed efficiently & effectively.
- Areas identified during audit for improving management control, process efficiency, etc. are communicated and acted upon.
- Review of potential risks and their mitigation plans.
- Significant legislative and regulatory provisions impacting the organization are recognized and addressed appropriately.

The Audit Committee consisting of 3 (three)



Independent Directors and 1 (one) Non-Independent Director reviews the Internal Audit Reports and offers necessary guidance with respect to its coverage & scope.

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

The Company's CRM software helps to identify our target customers, optimize sales management, improve customer relationship through personalization, identify customer needs, offer solutions and analyze distribution patterns for faster reach to the customers.

The Company's COPs software helps in centralizing its order processing, which improves efficiency in logistics / movement of goods.

The Company has a very sound compliance track record with all the Legal and Statutory authorities in the Country, and there is a regular management audit mechanism to ensure that the Company does not violate any Legal or Statutory provisions applicable to the Company.

**8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

We, at AWL, have faith in our employees, who are one of the key pillars of our Business. Our strength lies in recognizing their talents and leveraging them to achieve success. We believe that the success of our employees will not only benefit the organization but also our customers and business partners. 'Adorians', as we call our employees, have consistently put their best efforts in delivering the Company's business objectives.

To retain and nurture this talent, AWL has adopted a culture of innovation, safe work environment and also designed various HR policies,

learning & development programs, employee engagement strategies, reward & recognition schemes and employer branding initiatives.

AWL's HR practices have received recognition in industry forums, as being among the Best Practices. HR Practices, such as Performance Management System is designed to be aligned with business priorities, fair Reward & Recognition and finally, Talent Management as the enabler and drivers of business and employee motivation.

HR department is focused on two important objectives:

- (1) Contribution to improve Business, and
- (2) Contribution to Employee well being.

A fair, open and collaborative culture, recruitment and employee management helps employees advance their careers and AWL's business in a meaningful manner.

Along with Employee Safety & Well-being, Training & Development has received special focus last year. Well-structured in-house training programs conducted by experienced and competent faculty, have improved the skill levels and the employee commitment. Several Technical & Behavioral Development interventions were conducted to train the leadership team, managers and junior employees. Advanced Lean Manufacturing, Workplace Safety, Innovation, Personal Effectiveness, High Performance Manager, Negotiation Skills, Communication & presentation Skills, Internal Auditor Training are some of the key interventions that took place apart from the regularly conducted on-the-job and other technical trainings.

AWL's forums for employees to voice their opinion such as "Town Hall", "Talk to your MD" and "Skip Level Meeting" are popular amongst its employees. We strive to continually improve our People Practices to be amongst one of the desirable Employers to work for.

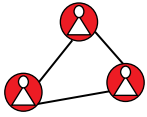
The employee strength as of 31<sup>st</sup> March, 2017 stood as 598.

CORPORATE PROFILE

STATUTORY REPORT

STANDALONE FINANCIALS

CONSOLIDATED FINANCIALS



**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 liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein.*

**For and on behalf of the Board**

**Place:** Mumbai

**Date:** 09<sup>th</sup> May, 2017

Aruna B. Advani  
**Executive Chairman**  
(DIN: 00029256)

## ANNEXURE VI - TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

for the financial year ended March 31, 2017

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

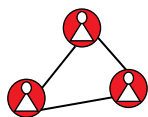
To,  
The Members,  
**Ador Welding Limited.**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations & bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the Rules & Regulations made thereunder;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable to the Company during the Financial Year**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the Financial Year**



- f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013; **Not applicable to the Company during the Financial Year**
  - g) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993; **Not applicable to the Company during the Financial Year**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Financial Year**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable to the Company during the Financial Year**
- (6) Other Laws applicable to the Company;
- a) Factories Act, 1948 and Rules made thereunder
  - b) Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
  - c) Payment of Bonus Act, 1965, & Rules, 1965
  - d) Maternity Benefit Act, 1961 & Rules
  - e) Employees Compensation Act, 1923 & Rules.
  - f) Minimum Wages Act, 1948, M.W(C) Rules, 1950
  - g) Child Labour (P&R) Act 1986 & Rules.
  - h) Air (Prevention and Control of Pollution) Act, 1981
  - i) Water (Prevention and Control of Pollution) Act, 1974
  - j) The Noise (Regulation and Control) Rules, 2000
  - k) The Environment (Protection) Act, 1986
  - l) Payment of Wages Act, 1936
  - m) Employees State Insurance Act, 1948
  - n) Employees PF & Miscellaneous Provisions Act, 1952
  - o) Contract Labour (Regulation & Abolition) Act, 1970
  - p) Legal Metrology Act, 2009
  - q) Payment of Gratuity Act, 1972
  - r) Industrial Disputes Act, 1947
  - s) Indian Contract Act, 1872
  - t) The States Shops and Establishment Act
  - u) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - v) Tax Laws (Direct & Indirect)

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

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

During the period under review, the Company has broadly / generally 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking & obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **N. L. Bhatia & Associates**  
**Practicing Company Secretaries**

UIN: P1996MH055800

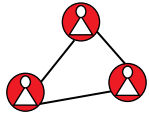
N. L. Bhatia  
**Managing Partner**

**FCS: 1176**

**CP No. 422**

**Date:** May 02, 2017

**Place:** Mumbai



To,

The Members

**Ador Welding Limited**

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

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules & Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **N. L. Bhatia & Associates**  
**Company Secretaries**  
UIN: P1996MH055800

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

**Date:** May 02, 2017

**Place:** Mumbai

## ANNEXURE VII - TO THE DIRECTORS' REPORT

### DETAILS OF DIRECTORS & EMPLOYEES REMUNERATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

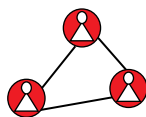
1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for Financial Year (FY) 2016-17:

Sr. No.	Name of the Director	Designation	Ratio
1	Ms. A. B. Advani	Executive Chairman	38.95
2	Mr. S. M. Bhat	Managing Director	36.75
3	Mrs. N. Malkani Nagpal	Whole – Time Director	27.62
4	Mr. R. A. Mirchandani	Director (Non-Executive)	1.04
5	Mr. A. T. Malkani	Director (Non-Executive)	1.10
6	Mr. D. A. Lalvani	Director (Non-Executive)	1.16
7	Mr. M. K. Maheshwari	Director (Independent & Non-Executive)	1.14
8	Mr. P. K. Gupta	Director (Independent & Non-Executive)	1.12
9	Mr. R. N. Sapru	Director (Independent & Non-Executive)	1.06
10	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	1.12
11	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	1.03
12	Mr. S. G. Mirchandani	Director (Independent & Non-Executive)	1.00

2. The percentage increase in remuneration of each of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2016-17:

Sr. No.	Name of the Director / KMP	Designation	% variance
1	Ms. A. B. Advani	Executive Chairman	7.77
2	Mr. S. M. Bhat	Managing Director	15.31
3	Mrs. N. Malkani Nagpal	Whole – Time Director	11.06
4	Mr. R. A. Mirchandani	Director (Non-Executive)	-17.76
5	Mr. A. T. Malkani	Director (Non-Executive)	-13.38
6	Mr. D. A. Lalvani	Director (Non-Executive)	-7.10
7	Mr. M. K. Maheshwari	Director (Independent & Non-Executive)	-12.90
8	Mr. P. K. Gupta	Director (Independent & Non-Executive)	-13.17
9	Mr. R. N. Sapru	Director (Independent & Non-Executive)	-13.83
10	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	-13.17
11	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	-9.98
12	Mr. S. G. Mirchandani	Director (Independent & Non-Executive)	-16.47
13	Mr. V. M. Bhide	Head - Corp. Admin., IA, KM, Legal & Company Secretary	4.86
14	Mr. G. A. Patkar	Chief Financial Officer	NA

3. The percentage increase in the median remuneration of employees in FY 2016-17 over FY 2015-16: 6.64%



4. The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017: 598
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no significant difference between Managerial and Non-Managerial percentile increase (64 percentile decreased to 60 percentile for Non-Managerial cadre, whereas for Managerial cadre, excluding Whole-time Directors, it decreased from 67 percentile to 66 percentile).

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes
7. Details of top 10 employees in terms of remuneration\* drawn during FY 2016-17

Sr. No.	Name	Age (Years)	Designation	Qualification/s	Years of Experience	Date of Commencement of Employment	Last Employment	
							Post Held	Name of the Last Employer
1	Manoj Pandey	45	Head - Human Resources	B.E. (Electronics & Instrumentation), PG in HRM	24	2-Apr-12	Head – HR Operations	Tata Teleservices Ltd
2	V.M.Bhide	48	Head - Corp. Admin, IA, KM, Legal & Company Secretary	B.Com., LL.B. (Gen), AICMA, DTL, DLL & LW, FCS	29	4-Jan-93	Assistant	BASF India Ltd
3	Rajendra Nath	51	Head - PEB	B.E (Mechanical), CPEM (Export Management) & EMBA from IIM, Kolkata	27	16-Jul-12	GM - Business Development	Shilchar Technologies Ltd
4	Sunanda Kumar Patil	54	Head – Product Imp, Equipment Quality, CCC & Technical support to WAPS	B. Tech. (Hons.) from IIT Kharagpur	33	4-Jun-12	Divisional Product Manager (Equipment Division)	ESAB India Ltd
5	Sunil S Bhoi	58	Head - Plant Operations	B.E. (Electrical)	34	1-Jul-83	Head - Plant Operations	Started his career with AWL only
6	Aniruddha R. Vilekar	44	Sales Head - Consumables and Head - Marketing	BE (Met)	23	2-Jul-08	National Sales & Development/ Product Head	Vikas Powder Metallurgy Pvt. Ltd
7	Girish A. Patkar	61	Chief Financial Officer (CFO)	B Sc (Chemistry), MBA/ PGDM (Finance)	35	1-Sep-15	CFO	Equinox Realty & Infrastructure Pvt Ltd
8	Ulhas Pujari	44	Plant Head - Chinchwad	BE and MBA	24	15-Jul-13	DGM Production	Carraro India Limited
9	Sachin Dobhada	50	Head - TDC (E)	BE (Industrial Electronics)	29	8-May-06	Head- R & D	Hueco Electronics India Pvt. Ltd
10	Vineet Bansal	48	Sales Head – Equipment, WAPS & CNC Cutting	Mechanical Engineering	25	3-Nov-92	Engineer – Technical Services	Cimmco Limited, Bharatpur

\* The statement of remuneration will be made available for inspection by the Members at the registered office of the Company during business hours on working days. Interested Members may write to the Company Secretary for obtaining a copy.

None of the employees who are posted abroad are drawing remuneration of over ₹ 60 lakhs per annum or ₹ 5 lakhs per month.



Details of the employees with annual remuneration of ₹ 102 lakhs or more who are employed throughout the year or monthly remuneration of ₹ 8.50 lakhs or more, even if employed for part of the year during FY 2016-17:

Sr. No.	Name	Age (Years)	Designation	Remuneration (Gross) (₹ in Lakhs)	Qualification/s	Years of Experience	Date of Commencement of Employment	Last Employment	
								Post Held	Name of the Last Employer
1	Ms. A. B. Advani	62	Executive Chairman	146.65	<ul style="list-style-type: none"> <li>Science Graduate (Hons) University of Sussex,</li> <li>Owners Management Programme, Harvard Business School,</li> <li>Strategic Financial Planning, IIM, Ahmedabad</li> </ul>	41	01-05-1999	Managing Director	J.B. Advani & Co. Pvt. Ltd.
2	Mrs. N. Malkani Nagpal	47	Whole Time Director	141.09	<ul style="list-style-type: none"> <li>B.Sc. In Business &amp; Economics from Lehigh University, PA, USA</li> <li>MBA (Finance) from Imperial College, UK</li> </ul>	24	03-10-1997	Chairman & Whole Time Director	J.B. Advani & Co. Pvt. Ltd.
3	Mr. S. M. Bhat	56	Managing Director	102.83	<ul style="list-style-type: none"> <li>Bachelor of Engineering (B.E.) from VJTI, Mumbai</li> <li>Post Graduation in International Marketing &amp; Finance from International Management Institute (IMI), New Delhi</li> </ul>	32	02-06-2008	V.P. (Business Development)	Schuler (India) Pvt. Ltd.

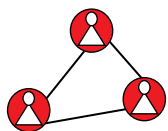
**Notes:**

- All the above Appointments are Contractual.
- Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites and Provident Fund, Superannuation Fund, etc. wherever applicable.
- Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company by the employees concerned.
- Ms. A. B. Advani holds 2,95,480 equity shares and Mrs. N. Malkani Nagpal holds 57,352 equity shares, whereas Mr. V. M. Bhide holds 150 equity shares of the Company.
- None of the above named Directors and employees are related to any other Directors or to each other or to any other employees of the Company.

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 09<sup>th</sup> May, 2017

Aruna. B. Advani  
**Executive Chairman**  
(DIN: 00029256)



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Ador Welding Limited**

#### **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of Ador Welding Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

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

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - 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 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 May 2017 as per Annexure B expressed an unmodified opinion;
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company, as detailed in Note 32 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. the company, as detailed in Note 19 a to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

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

Firm's Registration No.: 001076N/N500013

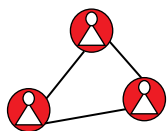
per Sudhir N. Pillai

**Place:** Mumbai

**Partner**

**Date:** 9 May 2017

Membership No.:105782



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**of even date to the members of Ador Welding Limited, on the financial statements for the year ended 31 March 2017**

### **Annexure A**

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

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

Name of the statute	Nature of dues	Amount (₹) in lakhs	Amount paid under Protest (₹) in lakhs	Period (Financial year) to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of scientific research expenses	62.63	9.40	2013-2014	CIT (Appeals)
The Central Excise Act, 1944	Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/ interest, if any)	7.72	1.00	1998-1999	Custom, Excise and Service Tax Appellate Tribunal
		2.18	0.96	2006-2007	Assistant Commissioner
		13.42	-	2008-2009	Commissioner-Appeal
Central Sales Tax Act and Local Sales Tax Acts of various states	Additional Liability arising due to difference in assessable value, disallowance of input tax credit (including penalty/ interest, if any)	18.07	9.21	1987-1988, 1992- 1993	High Court
		43.20	30.00	2005-2006	Deputy Commissioner
		1.99	1.34	2005-2006	Deputy Commissioner
		152.23	5.50	2005-2006	Deputy Commissioner
		20.09	-	2004-2005	Joint Commissioner
		6.88	-	2004-2005	Joint Commissioner
		7.98	-	2003-2004	Joint Commissioner
0.21	-	2003-2004	Joint Commissioner		

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

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

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

Firm's Registration No.: 001076N/N500013

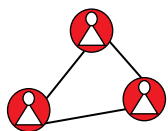
per Sudhir N. Pillai

**Partner**

**Place:** Mumbai

**Date:** 9 May 2017

Membership No.: 105782



## **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 2017**

### **Annexure B**

#### **Independent Auditor's report on the Internal Financial Controls 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 of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR 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) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR includes 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 over Financial Reporting**

- 7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place:** Mumbai  
**Date:** 9 May 2017

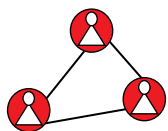
per Sudhir N. Pillai  
**Partner**  
 Membership No.: 105782

CORPORATE PROFILE

STATUTORY REPORT

STANDALONE FINANCIALS

CONSOLIDATED FINANCIALS



## BALANCE SHEET

(₹ in lakhs)

Particulars	Notes	As at	
		31 March 2017	31 March 2016
<b>Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	1,360	1,360
(b) Reserves and surplus	4	22,355	20,488
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	5	764	715
(b) Other long-term liabilities	6	21	21
(c) Long-term provisions	7	203	172
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	2,800	-
(b) Trade payables	9		
(i) Total outstanding dues of micro, small and medium enterprises		20	104
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises		7,252	7,670
(c) Other current liabilities	10	2,091	1,287
(d) Short-term provisions	11	1,083	1,835
<b>Total</b>		<b>37,949</b>	<b>33,652</b>
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		10,054	9,816
(ii) Intangible assets		55	58
(iii) Capital work-in-progress		380	136
(iv) Intangible assets under development		22	-
(b) Non-current investments	13	300	194
(c) Long-term loans and advances	14	2,608	2,451
(d) Other non-current assets	15	207	104
<b>(2) Current assets</b>			
(a) Current investments	16	1,041	1,021
(b) Inventories	17	4,746	4,299
(c) Trade receivables	18	7,685	11,964
(d) Cash and bank balances	19	2,153	1,413
(e) Short-term loans and advances	20	1,125	893
(f) Other current assets	21	7,573	1,303
<b>Total</b>		<b>37,949</b>	<b>33,652</b>

The notes form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

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

Sudhir N. Pillai  
**Partner**

V.M.Bhide  
**Head - Corp. Admin,  
Legal & Company  
Secretary**

Girish Patkar  
**Chief Financial  
Officer**

S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

**Place:** Mumbai  
**Date:** 9 May 2017



**STATEMENT OF PROFIT AND LOSS**

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue</b>			
Revenue from operations (gross)	22	47,995	44,971
Less : Excise duty		3,938	4,288
<b>Revenue from operations (net)</b>		44,057	40,683
<b>Other income</b>	23	940	556
<b>Total revenue</b>		44,997	41,239
<b>Expenses</b>			
Cost of materials consumed	24	30,594	26,144
Purchase of stock-in-trade	25	899	872
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(408)	(179)
Employee benefits expense	27	3,914	3,832
Finance costs	28	100	86
Depreciation and amortisation expense		1,122	1,166
Other expenses	29	5,964	5,940
<b>Total expenses</b>		42,185	37,861
<b>Profit before exceptional items and tax</b>		2,812	3,378
<b>Exceptional items [gain / (loss)]</b>	44	-	(195)
<b>Profit before tax</b>		2,812	3,183
<b>Tax expense</b>			
Current tax		915	797
MAT credit (entitlement) / availment		-	278
Reversal of provision for earlier years		(19)	(20)
Deferred tax charge / (credit)		49	(137)
<b>Profit for the year</b>		1,867	2,265
<b>Earnings per equity share</b>	42		
Basic and diluted earnings per share before exceptional items (net of tax) (₹10 per share)		13.73	18.09
Basic and diluted earnings per share after exceptional items (net of tax) (₹10 per share)		13.73	16.65

**The notes form an integral part of these financial statements**

This is the statement of Profit &amp; Loss referred to in our report of even date

**For and on behalf of the Board of Directors**

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

 A.B.Advani  
**Executive Chairman**  
DIN: 00029256

 Sudhir N. Pillai  
**Partner**

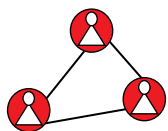
 V.M.Bhide  
**Head - Corp. Admin,  
Legal & Company  
Secretary**

 Girish Patkar  
**Chief Financial  
Officer**

 S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

**Place:** Mumbai  
**Date:** 9 May 2017



## CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
<b>A Cash flow from operating activities</b>				
Profit before exceptional items and tax		2,812		3,378
<b>Adjustment for non-cash transaction:</b>				
Depreciation and amortisation expense	1,122		1,166	
Bad debts written off	8		164	
Provision for doubtful debts	46		73	
Loss on sale of fixed assets	2		52	
Reversal of provision for doubtful debts	(47)		-	
Assets written off / discarded	1		5	
Provision for diminution in value of investments	8		-	
<b>Items considered separately</b>				
Finance costs	100		86	
Interest received on government securities	(14)		(15)	
Dividend income	0		(1)	
Surplus on sale of investments	(236)		(59)	
Interest received from banks and others	(66)		(53)	
Rental income	(111)		(73)	
Exchange gain on revaluation of foreign currency monetary item	(43)		(12)	
<b>Exceptional items</b>				
Provision for bonus	-		(28)	
Compensation to employees	-		(167)	
		770		1,138
<b>Operating profit before working capital changes</b>		3,582		4,516
<b>Adjustments for increase / decrease in working capital</b>				
(Increase)/ decrease in inventories	(447)		5	
(Increase)/ decrease in trade receivables	4,262		(3,882)	
(Increase)/ decrease in loans & advances and other receivables	(6,840)		(1,336)	
Increase/(decrease) in trade payables	(449)		3,689	
Increase/(decrease) in liabilities and provisions	918		392	
		(2,556)		(1,132)
Cash inflow from operations		1,026		3,384
Income tax paid		(1,012)		(1,142)
<b>Net cash generated from operating activities</b>		14		2,242
<b>B Cash flow from investing activities</b>				
Acquisition of fixed assets and capital work-in-progress	(1,647)		(1,503)	
Purchase of investments	(1,041)		(3,901)	
Investment in subsidiary	(290)		-	
Proceeds from sale of fixed assets	21		25	

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31 March 2017		31 March 2016	
Proceeds from sale of investments	1,433		3,400	
Interest received on government securities	14		15	
Dividend income	0		1	
Interest received from banks and others	72		53	
Rental income	105		70	
(Investment in) / proceeds from fixed deposits	(103)		1,479	
Repayment of loan by subsidiary	290		-	
<b>Net cash used in investing activities</b>		<b>(1,146)</b>		<b>(361)</b>
<b>C Cash flow from financing activities</b>				
Finance costs	(100)		(86)	
Finance lease obligation	(17)		(26)	
Proceeds from short term borrowings	3,100		0	
Repayment of short term borrowings	(300)		0	
Dividend paid	(680)		(680)	
Tax on dividend	(138)		(138)	
<b>Net cash generated from / (used in) financing activities</b>		<b>1,865</b>		<b>(930)</b>
Net increase in cash and cash equivalents (A+B+C)		<b>733</b>		<b>951</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,291</b>		<b>340</b>
<b>Cash and cash equivalents at the end of the year (refer note 19)</b>		<b>2,024</b>		<b>1,291</b>

Notes to the cash flow statement

**a Cash and cash equivalents at year end comprise:**

(₹ in lakhs)

Particulars	As at	
	31 March 2017	31 March 2016
Cash on hand	4	1
Cheques on hand	1,102	994
Balances with banks in current accounts	918	296
<b>Total</b>	<b>2,024</b>	<b>1,291</b>

**b** The above cash flow statement has been prepared under the indirect method set out in accounting standard on cash flow statements (AS-3) issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date

**For and on behalf of the Board of Directors**

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

A.B.Advani

**Executive Chairman**  
DIN: 00029256

 Sudhir N. Pillai  
**Partner**

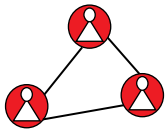
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 Girish Patkar  
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Officer**

 S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

**Place:** Mumbai  
**Date:** 9 May 2017



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### Note 1 - Background of the Company

Incorporated in 1951, Ador Welding Limited (AWL) 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 & gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries.

### Note 2 - Statements of significant accounting policies and practices

#### Basis of preparation of financial statements:-

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the "Act") and comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non- current classification of assets and liabilities.

#### Use of estimates:-

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of fixed assets, income tax and future obligations under employee retirement benefit plans. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

#### 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 the estimated costs necessary to make the sale.

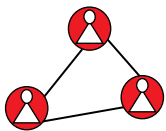
#### Recognition of income and expenditure:-

1. Sale of goods is recognised on transfer of significant risks and rewards of ownership to the buyer, which is generally on the dispatch of goods by the Company and are recognised net of trade discounts, sales tax and excise duty.
2. Service income is recognised on transfer of significant risks and rewards of ownership to the buyer and is accounted based on terms of contract entered into with the respective parties.
3. Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export India scheme are accounted in the year of export as export incentives.

4. Other revenue / income and cost / expenditure are generally accounted on accrual as they are earned or incurred.
5. Sale of services: In contract involving rendering of services revenue is recognised using the proportionate completion method in line with agreements / arrangements with concerned parties and is net of service tax.
6. Revenue from contracts: Revenue from fixed price contracts is recognised using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a regular basis throughout the delivery 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.
7. Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
8. Dividend: Dividend income is recognised when the right to receive dividend is established.

**Fixed Assets: -**

1. Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
2. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
3. Items of fixed assets 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 & loss.
4. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost, are recognised in the statement of profit & loss.
5. 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.
6. Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. 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.
7. 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.
8. Cost of fixed assets not ready for intended use before such date is disclosed under Capital work-in-progress.



### **Foreign currency translation:-**

**Initial recognition** - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency, on the date of the transaction.

**Conversion** - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the balance sheet.

**Exchange differences** - Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### **Translation of foreign operations:-**

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses. The financial statements of an integral foreign operation are translated using the principles & procedures as if the transactions of the foreign operation are those of the Company itself.

### **Forward exchange contracts:-**

Forward contracts are entered into, to hedge the foreign currency risk. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts is recognised as income or as expense for the year.

The premium on option contract is recognised as an expense over the life of the contract.

### **Investments:-**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value. Non-current investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Profit or loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value of the investment.

### **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.

In respect of certain employees, provident fund contributions are made to Ador Welding Limited Administrative Staff Provident Fund Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/gains are recognised in the statement of profit & loss in the year in which they arise. However, with effect from November 2016 the company has discontinued contribution to Ador Welding Limited Administrative Staff Provident Fund Trust and has started contributing to the regulatory authorities.

The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

**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.

**Gratuity:** 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 losses / gains are recognised in the statement of profit and loss in the year in which they arise.

**Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the statement of profit & loss in the year in which they arise.

Termination benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the statement of profit & loss as & when incurred.

**Borrowing costs:-**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit & loss in the period in which they are incurred.

**Segment reporting:-**

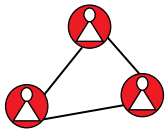
The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under “Unallocated corporate expenses / income”.

**Leases:-**

**As a Lessee:-**

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit & loss on a straight-line basis over the period of the lease.





The Company leases certain tangible assets and such leases, where the Company has substantially all the risks & rewards of ownership, are classified as finance leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation under secured borrowings. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of profit & loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

**As a Lessor:**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term which is representative of the time pattern, in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit & loss in the period in which they are incurred.

**Earnings per share:-**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Taxes on income:-**

**Current tax**

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

**Minimum alternate tax:**

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified period. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company and the asset can be measured reliably.

**Deferred tax:**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets & liabilities and their respective tax basis. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.



**Impairment of assets:-**

The carrying amounts of the Company's 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 & loss or against revaluation surplus, where applicable.

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.

**Provisions and contingent liabilities:-**

**Provisions:** provisions are 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 its present value and are determined based on management estimate, required to settle the obligation at the balance sheet date.

**Contingent liabilities:** Contingent liabilities are disclosed in respect of possible obligations or present 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. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosure is made.

**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.

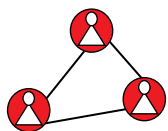
**Research & development:-**

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.

**Cash and cash equivalents:-**

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



**Note 3 - Share capital**

Particulars	(₹ in lakhs)	
	As at 31 March 2017	As at 31 March 2016
Authorised : 3,00,00,000 (Previous year 3,00,00,000) equity shares of ₹10 each	<b>3,000</b>	3,000
Issued, subscribed and paid up: 1,35,98,467 (Previous year 1,35,98,467) equity shares of ₹10 each, fully paid-up	<b>1,360</b>	1,360
<b>Total</b>	<b>1,360</b>	1,360

**Note 3 a - Reconciliation of share capital**

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
<b>Equity shares:</b>				
Shares outstanding at the beginning of the year	<b>1,35,98,467</b>	<b>1,360</b>	1,35,98,467	1,360
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>1,35,98,467</b>	<b>1,360</b>	1,35,98,467	1,360

**Note 3 b - Rights, preferences and restrictions attached to shares**

The Company has only one class of shares referred to as equity shares having a par (face) value of ₹10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.

**Note 3 c - Shares held by holding Company**

Particulars	As at	
	31 March 2017	As at 31 March 2016
	No. of shares	No. of shares
<b>Equity shares of ₹ 10 each</b>		
J.B.Advani & Co. Private Limited	<b>68,00,531</b>	68,00,531

**Note 3 d - Details of shares held by shareholders holding more than 5% of aggregate shares in the Company**

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of ₹ 10 each</b>				
J.B.Advani & Co. Private Limited	<b>68,00,531</b>	<b>50.01</b>	68,00,531	50.01
Reliance Capital Trustee Co. Limited	<b>11,67,129</b>	<b>8.58</b>	9,91,605	7.29
Sundaram Mutual Fund	<b>8,31,535</b>	<b>6.11</b>	8,31,535	6.11
<b>Total</b>	<b>87,99,195</b>	<b>64.70</b>	86,23,671	63.41

**Note 3 e -** The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2017.

**Note 4 - Reserves and Surplus**

(₹ in lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
General reserve				
Balance at the beginning of the year	<b>13,774</b>		13,547	
Add: Transfer from statement of profit & loss	-		227	
Balance at the end of the year	<b>13,774</b>		13,774	
Capital redemption reserve account	<b>223</b>		223	
Surplus as per statement of profit and loss				
Balance at the beginning of the year	<b>6,491</b>		5,271	
Add : Net profit for the year	<b>1,867</b>		2,265	
Less : Transfer to general reserve	-		(227)	
Less : Proposed dividend [Refer note (a) below]	-		(680)	
Less : Tax on proposed dividend [Refer note (a) below]	-		(138)	
Balance at the end of the year	<b>8,358</b>		6,491	
<b>Total</b>		<b>22,355</b>		20,488

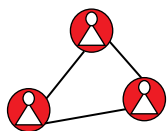
Note:

(a) The Board has proposed dividend of ₹ 5 per share (for the previous year, proposed and approved dividend amounts to ₹ 5 per equity share).

**Note 5 - Deferred tax liabilities (net)**

(₹ in lakhs)

Particulars	As at	
	31 March 2017	31 March 2016
Deferred tax liability on account of :		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	<b>842</b>	817
Capital expenditure for scientific research	<b>108</b>	84
	<b>950</b>	901
Deferred tax assets on account of :		
Employee benefits	<b>119</b>	117
Voluntary retirement scheme	<b>3</b>	4
Provision for doubtful debts	<b>64</b>	65
	<b>186</b>	186
<b>Net deferred tax liabilities</b>	<b>764</b>	715



**Note 6 - Other long-term liabilities**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Rent deposits	21	21
<b>Total</b>	<b>21</b>	21

**Note 7 - Long-term provisions**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits:		
Gratuity (Refer note 45 (II) (a))	117	89
Compensated absences (Refer note 45 (III))	86	83
<b>Total</b>	<b>203</b>	172

**Note 8 - Short-term borrowings**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Secured</b>		
<b>From banks</b>		
Working capital loan repayable on demand (Refer note (a) and (b) below)	2,500	-
Export packing credit facility (Refer note (a) and (b) below)	300	-
<b>Total</b>	<b>2,800</b>	-

Notes :

- (a) Working capital loan and export packing credit facility are secured 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.
- (b) Guarantees given by bank to third parties amounting to ₹ 2,558 lakhs (Previous year ₹ 1,198 lakhs), on behalf of the company, are secured against securities mentioned in (a) above.

**Note 9 - Trade payables**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Dues to micro, small and medium enterprises (Refer note 34)	20	104
Dues to other than micro, small and medium enterprises	7,252	7,670
<b>Total</b>	<b>7,272</b>	7,774

**Note 10 - Other current liabilities**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Current maturities of finance lease obligations* (Refer note 48)	0	17
Deposits:		
(a) Rent deposit	16	15
(b) From distributors	143	141
(c) From others	66	21
Employee benefits payable	132	126
Statutory dues	66	81
Unclaimed dividend	124	117
Advances received from distributors on behalf of customers	13	34
Advances received from customers **	629	285
Liability on account of bills discounting	747	266
Creditors for capital goods	46	27
Others	109	157
<b>Total</b>	<b>2,091</b>	<b>1,287</b>

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

\*\* Includes an amount of ₹ 521 lakhs (Previous year ₹ 201 lakhs) on account of Project engineering business.

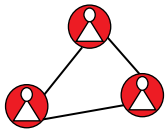
**Note 11 - Short-term provisions**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits		
- Compensated absences (Refer note 45 (III))	141	136
Provision for excise duty on finished goods stock	534	377
Provision for warranties [Refer note (a) below]	64	49
Provision for proposed dividend [Refer note 4(a)]	-	680
Provision for tax on proposed dividend [Refer note 4(a)]	-	138
Provision for expenses [Refer note (b) below]	341	449
Provision for wealth tax	3	6
<b>Total</b>	<b>1,083</b>	<b>1,835</b>

Notes :

(a) Provision of ₹ 64 lakhs (Previous year ₹ 49 lakhs) has been recognised for expected warranty claims on welding equipments and goods traded during the current financial year. It is expected that all these expenditures will be incurred in the next financial year.



(b) Provision for expenses includes :

(₹ in lakhs)

Particulars	As at 1 April 2016	Utilised during the year	Provision for the year	Unused / reversed amount	As at 31 March 2017
PEB project expenditure	30	30	2	-	2
Variable incentive pay	175	139	75	36	75
Bonus and commission payable to directors	60	60	67	-	67
Electricity expenses	22	22	10	-	10
Freight expenses	32	27	98	5	98
Legal and professional fees	10	5	5	5	5
Other expenses	120	104	84	16	84
<b>Total</b>	<b>449</b>	<b>387</b>	<b>341</b>	<b>62</b>	<b>341</b>

### Note 12 - Fixed assets

(₹ in lakhs)

Particulars	Gross block - at cost				Depreciation				Net block			
	As at 1 April 2016	Additions	Adjustments	Deductions	As at 31 March 2017	As at 1 April 2016	For the year	Adjustments	Deductions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>												
Land - freehold	193	-	-	-	193	-	-	-	-	-	193	193
Land - leasehold [Refer note (a) below]	47	-	(1)	-	46	2	-	-	-	2	44	45
Buildings [Refer note (b) below]	7,143	289	-	-	7,432	1,808	208	-	-	2,016	5,416	5,335
Ownership premises [Refer note (c) below]	311	14	-	-	325	88	5	-	-	93	232	223
Plant and equipments (including computers)	12,731	706	-	197	13,240	9,833	642	-	180	10,295	2,945	2,898
Electrical installations	1,004	47	-	-	1,051	642	79	-	-	721	330	362
Furniture and fixtures	815	50	-	12	853	550	54	-	11	593	260	265
Office equipments	209	19	-	8	220	154	23	-	8	169	51	55
Vehicles	256	126	-	39	343	111	31	-	34	108	235	145
Temporary shed	3	-	-	-	3	3	-	-	-	3	-	-
Leased assets - vehicles	100	-	-	55	45	82	16	-	55	43	2	18
<b>Research and development assets :</b>												
Land freehold	34	-	-	-	34	-	-	-	-	-	34	34
Buildings	127	-	-	-	127	88	1	-	-	89	38	39
Plant and equipments (including computers)	615	92	-	-	707	419	21	-	-	440	267	196
Furniture and fixtures*	4	-	-	-	4	0	-	-	-	0	4	4
Air conditioners	7	-	-	-	7	3	1	-	-	4	3	4
<b>Total</b>	<b>23,599</b>	<b>1,343</b>	<b>(1)</b>	<b>311</b>	<b>24,630</b>	<b>13,783</b>	<b>1,081</b>	<b>-</b>	<b>288</b>	<b>14,576</b>	<b>10,054</b>	<b>9,816</b>
Previous year	22,522	1,514	-	437	23,599	13,032	1,107	-	356	13,783	9,816	

Particulars	Gross block - at cost				Amortisation				Net block			
	As at 1 April 2016	Additions	Adjustments	Deductions	As at 31 March 2017	As at 1 April 2016	For the year	Adjustments	Deductions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
<b>Intangible assets</b>												
Computer software	465	38	-	-	503	407	41	-	-	448	55	58
<b>Total</b>	<b>465</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>503</b>	<b>407</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>55</b>	<b>58</b>
Previous year	452	13	-	-	465	348	59	-	-	407	58	

Notes :-

- (a) Leasehold land includes Land of ₹ 37.40 lakhs (net of amortisation ₹ 36.92 lakhs) acquired by the Company on a co-ownership / lease basis for which conveyance deed is yet to be executed.
- (b) Net book value of assets includes, net book value of assets at the Company's Ahmednagar division aggregating ₹ 111 lakhs, which have been retired from active use. As per the estimates made by the Management, the net realisable value of such fixed assets would atleast be equal to the carrying value of the fixed assets. Hence, in the opinion of the management, no expected loss needs to be recognised.
- (c) Includes :

- (i) ₹ 0.01 lakh being the aggregate value of shares in Co-operative housing societies.
- (ii) ₹ 4.17 lakhs for tenements in an association of apartment owners.

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the company.

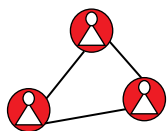
**Note 13 - Non-current investments (at cost)**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>A) Trade investments</b>		
Investments in subsidiary companies		
(I) Plasma Laser Technologies Limited (Unquoted) 2,61,105 (Previous year 2,61,105) Series A Preferred shares of NIS 1 each	<b>927</b>	927
Less: Provision for diminution in the value of investments [Refer note (a) below]	<u><b>927</b></u>	<u>927</u>
(II) Ador Welding Academy Private Limited (Unquoted) 30,00,000 (Previous year 1,00,000) equity shares of ₹ 10 each [Refer note (b) below]	<b>300</b>	10
<b>B) Investments in government securities</b>		
Rural Electrification Company Limited tax free secured redeemable non convertible bonds (Unquoted)	-	184
<b>Total</b>	<b>300</b>	194

Notes :

- (a) Investment in Plasma Laser Technologies Limited (PLT) (Subsidiary) - The Company has an investment of ₹ 927 lakhs (Previous year ₹ 927 lakhs) in PLT. PLT has incurred losses since the date of acquisition. The accumulated losses of PLT as at 31 March 2014 exceeded its net worth. The Company has evaluated its investment for the purpose of determination of potential diminution in value and based on such evaluation and considering the underlying factors including downturn in business and decrease in related activities, has recognised a provision for diminution in the value of investment in PLT as at 31 March 2014 amounting to ₹ 927 lakhs.
- (b) Ador Welding Academy Private Ltd (AWAPL) is a 100% subsidiary of the Company. The Board of Directors of AWAPL through its board meeting held on 28 April 2016 resolved to issue further shares to its existing shareholders through rights issue of 29 lakhs equity shares of ₹ 10 each at par, aggregating to ₹ 290 lakhs in the ratio of 290 equity shares for every share held as on 28 April 2016. Further, the company has resolved to subscribe to the rights issue of 29 lakhs equity shares of AWAPL of ₹ 10 each at par, aggregating to ₹ 290 lakhs in their Board meeting held on 10 May 2016, which has been subscribed on 23 May 2016.



#### Note 14 - Long-term loans and advances

Unsecured, considered good (unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital advances [Refer note (a) below]	69	126
Security deposits	236	211
Loan to related parties (Refer note (b) below and note 41)	-	295
Advance income tax [Refer note (c) below]	260	144
Balances with sales tax authorities	1,629	1,403
Export incentive receivable	383	260
Loans to employees	9	10
Prepaid expenses	22	2
<b>Total</b>	<b>2,608</b>	<b>2,451</b>

Notes:

(a) Capital advance includes :-

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Land at Silvassa	26	26
Factory building and road construction at Chinchwad	40	20
Plant and equipments	3	80
<b>Total</b>	<b>69</b>	<b>126</b>

(b) Disclosure as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Name of the Company	Relationship	As at 31 March 2017 (₹ in lakhs)	Maximum balance of Loan outstanding during the year* (₹ in lakhs)	Investment by the Loanee in the shares of holding Company (No. of shares)
Ador Welding Academy Private Limited [Refer note 12(b), 40 and 45]	Wholly Owned subsidiary	-	290	Nil

\* Loans and advances in the nature of loan to subsidiary was given for the purpose of carrying business operations. Out of the above ₹ 290 lakhs, ₹ 260 lakhs was interest free.

(c) Advance payment against taxes is after yearwise set-off against provision for taxation of ₹ 3,707 lakhs (Previous year ₹ 3,491 lakhs).



**Note 15 - Other non-current assets**

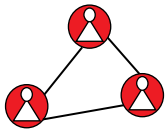
(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Fixed deposits for bank guarantees (maturity more than twelve months)	207	104
<b>Total</b>	<b>207</b>	<b>104</b>

**Note 16 - Current investments**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>A) Investment in mutual funds (Unquoted)</b> (At lower of cost and fair value)		
<b>Birla sunlife short term fund - direct plan - growth</b> Nil (Previous year 569,673.976) units of ₹ 10 each NAV Nil (Previous year ₹ 325.10 lakhs )	-	300
<b>Birla sunlife savings fund - direct plan - growth</b> Nil (Previous year 65,494.770) units of ₹ 100 each NAV Nil (Previous year ₹ 192.44 lakhs )	-	180
<b>Birla sunlife balanced 95 fund - growth - direct plan</b> 3,884.159 units of ₹ 100 each NAV ₹ 27.63 lakhs	25	-
<b>Birla sunlife dynamic bond fund - retail - growth - direct plan</b> 495,623.643 units of ₹ 10 each NAV ₹ 143.90 lakhs	144	-
<b>Birla sunlife balanced 95 fund - growth - regular plan</b> 3,680.059 units of ₹ 100 each NAV ₹ 25.12 lakhs	23	-
<b>DSP blackrock balanced fund - direct plan - growth</b> 12,209.416 units of ₹ 100 each NAV ₹ 16.54 lakhs	15	-
<b>DSP blackrock liquidity fund - direct plan - growth</b> 8,601.498 units of ₹ 100 each NAV ₹ 200.05 lakhs	200	-
<b>DSP blackrock balanced fund - regular plan - growth</b> 28,696.993 units of ₹ 100 each NAV ₹ 37.70 lakhs	35	-
<b>Franklin India balanced fund - growth</b> 5,430.881 units of ₹ 10 each NAV ₹ 5.66 lakhs	5	-
<b>HDFC balanced fund - regular plan - growth</b> 37,601.995 units of ₹ 100 each NAV ₹ 49.28 lakhs	45	-



**Note 16 - Current investments (contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>HDFC banking and PSU debt fund - regular plan - growth</b> 1,798,561.151 units of ₹ 10 each NAV ₹ 237.68 lakhs	<b>235</b>	-
<b>HDFC high interest fund-dynamic plan - regular plan - growth</b> 85,942.845 units of ₹ 10 each NAV ₹ 48.67 lakhs	<b>48</b>	-
<b>ICICI Prudential balanced fund - growth</b> 53,322.947 units of ₹ 10 each NAV ₹ 60.93 lakhs	<b>55</b>	-
<b>Kotak low duration fund - standard growth - regular plan</b> Nil (Previous year 2,340,550) units of ₹ 100 each NAV Nil (Previous year ₹ 42.63 lakhs )	-	41
<b>Religare Invesco fixed maturity plan - series XVIII - plan C - growth</b> Nil (Previous year 20,00,000) units of ₹ 10 each NAV Nil (Previous year ₹ 255.81 lakhs )	-	200
<b>Reliance medium term fund - direct growth plan - growth option</b> Nil (Previous year 326,166,371) units of ₹ 10 each NAV Nil (Previous year ₹ 103.51 lakhs)	-	100
<b>Reliance short term fund - growth plan - growth option</b> 363,280.856 units of ₹ 10 each NAV ₹ 111.95 lakhs	<b>111</b>	-
<b>Tata short term bond fund regular plan A - growth</b> Nil (Previous year 855,271.035) units of ₹ 10 each NAV Nil (Previous year ₹ 240.85 lakhs)	-	200
<b>Investment in mutual funds</b>	<b>941</b>	1,021
<b>B) Investment in debentures (Quoted) (Secured)</b>		
<b>JM Financial Services Limited</b> 10 units redeemable, non-convertible debentures of ₹ 10,00,000 each fully paid up	<b>100</b>	-
<b>Investment in debentures</b>	<b>100</b>	-
<b>Total</b>	<b>1,041</b>	1,021

Note :

Aggregate value of unquoted investment is ₹ 965 lakhs (Previous year ₹ 1,160 lakhs)

Aggregate value of quoted investment is ₹ 100 lakhs.

**Note 17 - Inventories :**

(Lower of cost and net realisable value) (as certified by the Management)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
1) Raw materials and components and packing material	1,257	1,418
2) Work-in-progress	617	590
3) Finished goods *	2,467	1,925
4) Stock-in-trade	161	165
5) Stores, spare parts, scrap, etc.	244	201
<b>Total</b>	<b>4,746</b>	<b>4,299</b>

\* includes provision of excise duty on finished goods amounting to ₹ 534 lakhs (Previous year ₹ 377 lakhs).

**Note 18 - Trade receivables:**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for less than six months from the date they are due for payment		
Secured, considered good [Refer note (a) below]	346	321
Unsecured, considered good	6,342	10,796
	<b>6,688</b>	<b>11,117</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good [Refer note (a) below]	17	-
Unsecured, considered good [Refer note (b) below]	980	847
Unsecured, considered doubtful	187	188
Less : Provision for doubtful debts	(187)	(188)
	<b>997</b>	<b>847</b>
<b>Total</b>	<b>7,685</b>	<b>11,964</b>

includes amount due by Private Company in which

Director / officer is a Director \*\*

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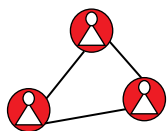
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Notes:

(a) Secured by letter of credit

(b) Includes an amount of ₹ 333 lakhs (Previous year ₹ 320 lakhs) on account of retention money of Project engineering business division.

\*\* Amounts below ₹ 0.49 lakhs have been rounded as per norms of the Company



**Note 19 - Cash and bank balances**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash and cash equivalents</b>		
i) Cash on hand	4	1
ii) Cheques on hand	1,102	994
iii) Balances with banks in current accounts	918	296
	2,024	1,291
<b>Other bank balances</b>		
i) Earmarked balances with banks (Dividend accounts)	124	117
ii) Deposits with maturity of more than three months but less than twelve months	5	5
	129	122
<b>Total</b>	<b>2,153</b>	<b>1,413</b>

**Note 19 a - Disclosure of Specified Bank Notes:**

As per the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 30 March 2017, every Company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 in the following manner:

Details of SBN held and transacted during the period from 8 November 2016 to 30 December 2016 are as follows:

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	6.65	1.73	8.38
Add: Permitted receipts	-	12.93	12.93
Add: Non-permitted receipts	0.23	-	0.23
Less: Permitted payments	0.36	11.20	11.56
Less: Amount deposited in banks	6.49	-	6.49
<b>Closing cash in hand as on 30 December 2016</b>	<b>0.03</b>	<b>3.46</b>	<b>3.49</b>

**Note 20 - Short-term loans and advances**

Unsecured, considered good (unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balances with central excise, customs and port trust	184	317
Loan to related parties (Refer note 41)	4	3
Loans and advances to employees	21	26
Advance to suppliers	808	472
Prepaid expenses	98	60
Others	10	15
<b>Total</b>	<b>1,125</b>	<b>893</b>

**Note 21 - Other current assets**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Forward exchange difference receivables	19	8
Unbilled revenue on construction contracts (Refer note 22 (b))	7,495	1,218
Interest accrued but not due on fixed deposits	10	16
Interest accrued but not due- from subsidiary	-	2
Other receivables	49	59
<b>Total</b>	<b>7,573</b>	<b>1,303</b>

**Note 22 - Revenue from operations (gross)**

(₹ in lakhs)

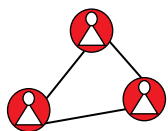
Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of goods		
Domestic	38,192	40,149
Export	9,237	3,674
Sale of services	414	942
Other operating revenue :		
Sale of scraps and others	152	206
<b>Total</b>	<b>47,995</b>	<b>44,971</b>

Notes:

- a) Details of sale of products (net of excise duty) and services:

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Manufactured goods :		
Electrodes	15,373	15,207
Wires and fluxes	12,738	12,067
Equipments and spares	5,882	5,569
Project engineering business	8,293	5,580
Service income	414	942
Traded goods :		
Welding products and accessories	1,205	1,112
<b>Total</b>	<b>43,905</b>	<b>40,477</b>



b) Disclosure pursuant to AS 7 (Revised) - "Construction contracts"

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
i) Contract revenue recognised for the year	8,697	6,332
ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	8,976	4,430
iii) Amount of customer advances outstanding for contracts in progress (Refer note 10)	521	201
iv) Amount of retentions due from customers for contracts in progress (Refer note 18)	333	320
v) Amount due from customers (Refer note 21)	7,495	1,218
vi) Amount due to customers	-	-

The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid, but not recovered for free goods, breakages / damages and captive consumption, which has been included under the head 'other expenses' as 'miscellaneous expenses'.

**Note 23 - Other income**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest received on:		
i) Government securities	14	15
ii) Fixed deposits with banks	15	19
iii) Overdue amount from customers	46	26
iv) Letter of credit	1	1
v) From subsidiary* (Refer note 41)	0	2
vi) Others	4	5
Surplus on sale of investments	236	59
Rent received (Refer note 49)	111	73
Duty drawback and export incentive	126	69
Insurance recovered (net of expense)	41	41
Dividend income	-	1
Foreign currency fluctuation gain (net)	177	149
Provisions / liabilities no longer required now written back	93	45
Miscellaneous income	76	51
<b>Total</b>	<b>940</b>	<b>556</b>

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company.

**Note 24 - Cost of materials consumed:**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock	1,418	1,619
Add: Purchases during the year	30,433	25,943
Less: Closing stock	(1,257)	(1,418)
<b>Total</b>	<b>30,594</b>	<b>26,144</b>

Notes:

(a) Details of raw materials, components and packing materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Wires and rods	13,947	12,664
Titanium dioxide and rutile sand	830	868
Manganese	659	659
Metal, nickel and iron powder	457	495
Electrical components	1,285	1,202
Mechanical fittings	3,490	5,871
Others	9,926	4,385
<b>Total</b>	<b>30,594</b>	<b>26,144</b>

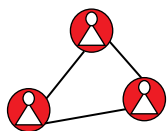
(b) Value of imported and indigenous raw materials, components and packing materials consumed

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Imported	3,455	11	4,120	16
Indigenous	27,139	89	22,024	84
<b>Total</b>	<b>30,594</b>	<b>100</b>	<b>26,144</b>	<b>100</b>

**Note 25 - Purchase of stock-in-trade:**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Welding products	304	266
Welding accessories	595	606
<b>Total</b>	<b>899</b>	<b>872</b>



**Note 26 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	<b>Opening stock :</b>			
Finished goods	1,925		1,591	
Stock-in-trade	165		122	
Work-in-progress	<u>590</u>	<b>2,680</b>	<u>713</u>	2,426
<b>Closing stock :</b>				
Finished goods	2,467		1,925	
Stock-in-trade	161		165	
Work-in-progress	<u>617</u>	<b>3,245</b>	<u>590</u>	2,680
Add / (less): Variation in excise duty on opening and closing stock of finished goods		<b>157</b>		75
<b>Total</b>		<b>(408)</b>		(179)

Notes:

(a) Details of finished goods

(₹ in lakhs)

Particulars	Closing stock		Opening stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
<b>Manufactured goods</b>				
Electrodes	1,265	858	858	639
Wires and fluxes	526	501	501	495
Equipment	676	566	566	457
<b>Total</b>	<b>2,467</b>	1,925	<b>1,925</b>	1,591

(b) Details of stock-in-trade

(₹ in lakhs)

Particulars	Closing stock		Opening stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
Welding products and accessories	161	165	165	122
<b>Total</b>	<b>161</b>	165	<b>165</b>	122

(c) Details of work-in-progress

(₹ in lakhs)

Particulars	Closing stock		Opening stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
Consumables	355	272	272	464
Equipment	262	298	298	245
Project engineering business	-	20	20	4
<b>Total</b>	<b>617</b>	590	<b>590</b>	713



**Note 27 - Employee benefits expense**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	3,297	3,344
Contribution to provident and other funds (Refer note 45(I))	162	145
Contribution to gratuity (Refer note 45(II)(a))	28	19
Staff welfare expenses	427	324
<b>Total</b>	<b>3,914</b>	<b>3,832</b>

**Note 28 - Finance costs**

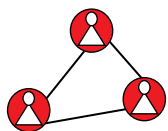
(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Interest expense on :</b>		
Bill discounting of invoices	54	17
Security deposit from distributor	-	8
Finance lease obligation	1	4
Others	-	49
<b>Other borrowing costs</b>	<b>45</b>	<b>8</b>
<b>Total</b>	<b>100</b>	<b>86</b>

**Note 29 - Other expenses**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Manufacturing and other expenses (Refer note 30)	2,523	2,376
Electricity and power expenses	23	25
Rent (Refer note 47)	127	122
Freight	458	487
Legal and professional fees	237	333
Insurance	20	24
Repairs and maintenance - others	150	140
Travelling, conveyance and vehicle expenses	695	654
Directors fees	5	6
Telephone, postage and telegram	197	170
Rates and taxes	54	70
Advertisement and sales promotion expenses	89	107
Commission	20	20
Bad debts written off (net)	8	164



**Note 29 - Other expenses (contd)**

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Provision for doubtful debts	46		73	
Loss on sale of fixed assets (net)	2		52	
Assets written off / discarded	1		5	
Printing and stationery	71		58	
Auditors' remuneration (Refer note 31)	28		27	
Corporate social responsibility (Refer note 51)	41		18	
Selling and distribution incentive	216		321	
Bank charges	102		72	
Provision for diminution in value of investment	8		-	
Miscellaneous expenses	843		616	
<b>Total</b>	<b>5,964</b>		<b>5,940</b>	

**Note 30 - Manufacturing and other expenses**

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Consumption of stores, spare parts and scrap (Refer note (a))	536		638	
Power and fuel	868		776	
Repairs to machinery	95		94	
Repairs to building	27		82	
Other manufacturing expenses	997		786	
<b>Total</b>	<b>2,523</b>		<b>2,376</b>	

Note : (a) Value of imported and indigenous stores and spare parts consumed

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Imported	40	7	91	14
Indigenous	496	93	547	86
<b>Total</b>	<b>536</b>	<b>100</b>	<b>638</b>	<b>100</b>

**Note 31 - Auditor's remuneration (excluding service tax)**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Statutory audit fees	13	13
Tax audit fees	5	5
Certification and other matters	8	8
Reimbursement of out of pocket expenses	2	1
<b>Total</b>	<b>28</b>	<b>27</b>

**Note 32 - Contingent liabilities not provided for :**

(₹ in lakhs)

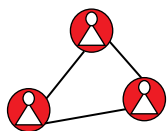
Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Disputed sales tax, as the matters are in appeal (advance paid ₹ 46 lakhs; previous year ₹ 75 lakhs)*	251	2,858
b) Disputed excise duties, as the matters are in appeal (advance paid ₹ 2 lakhs; previous year ₹ 2 lakhs)	23	118
c) Disputed income tax, as the matters are in appeal (advance paid ₹ 9 lakhs)	63	-
d) Bonds submitted to customs authorities for import of goods, under advance license scheme	-	76
e) Bank guarantees	2,558	1,198
f) On account of pending C-forms	1,479	1,693
g) Other matters	185	148

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 33 - Estimated amount of contracts remaining to be executed**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
On Capital account and not provided for (net of advances)	299	346



**Note 34 - Micro, Small and Medium Enterprises (Refer note 9)**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>20</b>	104
Interest due to suppliers registered under MSMED Act and remaining unpaid as at year end	<b>0*</b>	1
Principal amounts paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act beyond the appointed day during the year	-	-
Further interest remaining due and payable for earlier years	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

**Note 35 -** Revenue expenditure incurred during the year on research and development, through the natural heads of account, amounts to ₹ 415 lakhs (previous year ₹ 371 lakhs) (including depreciation ₹ 23 lakhs; previous year ₹ 20 lakhs) and capital expenditure thereof amounts to ₹ 92 lakhs (previous year ₹ 14 lakhs).

**Note 36 - Details of C.I.F. value of imports :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Raw materials and components	<b>3,304</b>	3,966
Capital goods	<b>37</b>	27
Spares, etc.	<b>9</b>	25
Purchase of stock-in-trade	<b>126</b>	188

**Note 37 - Details of expenditure in foreign currency :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Travelling	<b>65</b>	74
Staff training	<b>25</b>	-
Bank charges	<b>7</b>	6
Salaries, rent and other administrative expenses at Sharjah office	<b>195</b>	213
Others	<b>2</b>	17

**Note 38 - Details of earnings in foreign exchange :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
F.O.B. value of exports (net of returns)	9,237	3,674
Service charges received	367	489

**Note 39 - Details of dividend remitted to non-resident shareholders in foreign currency\*:**

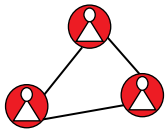
Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Number of non-resident shareholders	66	66
Number of equity shares held	9,263	9,363
Financial year ended for which dividend is remitted	2015-16	2014-15
Amount of dividend remitted (₹ in lakh)	0.46	0.47

\* excluding dividend credited to the shareholders' non-resident external accounts with banks in India.

**Note 40 - Segment information**
**A) Business segment**

(₹ in lakhs)

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
<b>Segment revenue</b>						
External revenue	28,235	27,470	15,822	13,213	44,057	40,683
Inter segment revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>28,235</b>	27,470	<b>15,822</b>	13,213	<b>44,057</b>	40,683
<b>Segment result before interest and tax</b>	<b>3,598</b>	3,480	<b>288</b>	1,259	<b>3,886</b>	4,739
Add / (less) :						
Unallocable expenses (net of unallocable income)					(974)	(1,275)
Interest and finance charges (net)					(100)	(86)
Excess / (short) provision of taxes for earlier years					19	20
Exceptional items (net)					-	(195)
Provision for taxes (net of deferred tax)					(964)	(938)
<b>Net profit after tax</b>					<b>1,867</b>	2,265



**A) Business segment**

(₹ in lakhs)

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
<b>Other information</b>						
<b>Segment assets</b>	<b>15,419</b>	15,558	<b>17,422</b>	13,783	<b>32,841</b>	29,341
Unallocated assets					<b>5,108</b>	4,311
Total assets					<b>37,949</b>	33,652
<b>Segment liabilities</b>	<b>3,281</b>	3,624	<b>8,616</b>	6,003	<b>11,897</b>	9,627
Unallocated liabilities					<b>2,337</b>	2,177
Total liabilities					<b>14,234</b>	11,804
<b>Capital employed</b>						
Segment wise capital employed	<b>12,138</b>	11,934	<b>8,806</b>	7,780	<b>20,944</b>	19,714
Unallocable corporate assets net of unallocable corporate liabilities					<b>2,771</b>	2,134
Total capital employed					<b>23,715</b>	21,848
<b>Capital expenditure</b>						
Segment capital expenditure	<b>593</b>	988	<b>654</b>	474	<b>1,247</b>	1,462
Unallocated capital expenditure					<b>134</b>	65
Total capital expenditure (Tangible and intangible assets)					<b>1,381</b>	1,527
<b>Depreciation and amortisation</b>						
Segment depreciation and amortisation	<b>709</b>	730	<b>316</b>	312	<b>1,025</b>	1,042
Unallocated depreciation and amortisation					<b>97</b>	124
Total depreciation and amortisation					<b>1,122</b>	1,166
<b>Significant non cash expenditure</b>						
Segment significant non cash expenditure	1	5	-	-	1	5
Unallocated significant non cash expenditure					-	-
Total significant non cash expenditure					1	5

**B) Geographical segment**

(₹ in lakhs)

Particulars	India		Outside India		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Segment revenue	<b>34,453</b>	36,520	<b>9,604</b>	4,163	<b>44,057</b>	40,683
Carrying amount of segment assets	<b>40,185</b>	33,166	<b>(2,236)</b>	486	<b>37,949</b>	33,652
Additions to fixed assets (Tangible and intangible assets)	<b>1,370</b>	1,518	<b>11</b>	9	<b>1,381</b>	1,527

**C) Other disclosures**

1. Segments have been identified in line with the Accounting Standard on "Segment Reporting" (AS – 17) taking into account the organisation structure as well as differential risks and returns of these segments.
2. The Company has disclosed business segment as the primary segment.
3. Types of products and services in each business segment:

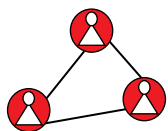
Business Segment	Types of products and services
a) Consumables	Electrodes, wires, agency items related to consumables from Silvassa, Raipur, Chennai and Chinchwad plant.
b) Equipment and project engineering business	Equipments, spares, cutting products and agency items related to equipments, cutting products, design, engineering, procurement and commissioning of flares, incinerators, furnaces, etc. from Chinchwad plant.

4. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

**Note 41 - Related Parties Disclosure**
**A. Relationships**

Relationship	Name of the Persons / Company
a) Holding Company	J. B. Advani & Co. Private Limited
b) Subsidiary Company and Fellow subsidiaries	Ador Welding Academy Private Limited Ador Powertron Limited (Subsidiary of J.B. Advani & Co. Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Co. Private Limited) Mack Valves India Private Limited (Indirect subsidiary of J.B. Advani & Co. Private Limited)
c) Companies in which Holding Company has significant influence and its associates	Ador Fontech Limited Ador Multiproducts Limited Ador Digatron Private Limited
d) Key Management Personnel	Ms. A. B. Advani Mr. S. M. Bhat Mrs. N. Malkani Nagpal





**B. Transactions during the year and amount outstanding at the year end**

(₹ in lakhs)

Relationship / name of the related party	Description of the nature of transactions	Value of the transactions	
		31 March 2017	31 March 2016
<b>a) Holding Company</b>			
J B Advani & Co. Private Limited	Sale of goods	17	11
	Purchase of goods and services received	1,012	933
	Rent received (gross)	29	29
	Reimbursement of expenses (incurred to other companies)	7	4
	Recovery of expenses (from other companies)	14	13
	<b>Amount outstanding at the year end</b>		
	Other receivable *	-	0
Trade payable	101	110	
<b>b) Subsidiary Company and fellow subsidiaries</b>			
Ador Welding Academy Private Limited	Sale of goods	7	1
	Purchase of goods and services	3	8
	Rent received (gross)	17	20
	Recovery of expenses	1	5
	Interest income*	0	2
	Loan repaid by subsidiary	290	-
	Investment in equity shares	290	-
	<b>Amount outstanding at the year end</b>		
	Investment in equity shares	300	10
	Trade receivables	6	-
	Other receivables	-	2
Loan	-	290	
Ador Powertron Limited	Purchase of fixed assets	-	3
	Purchase of goods*	0	1
	Recovery of expense (from other companies)	1	-
	Rent received (gross)	1	1
	<b>Amount outstanding at the year end</b>		
Other receivables*	0	-	
Ador Green Energy Private Limited	Commission / business support / facilitation charges	-	54

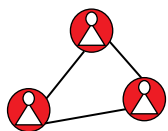
(₹ in lakhs)

Relationship / name of the related party	Description of the nature of transactions	Value of the transactions	
		31 March 2017	31 March 2016
<b>c) Companies in which Holding company has significant influence and its associates</b>			
Ador Fontech Limited	Sale of goods	185	128
	Purchase of goods	13	14
	Recovery of expenses (from other companies)	6	3
	Reimbursement of expenses (incurred to other companies)	2	-
	Rent received (gross)	5	5
	Sale of fixed assets	9	-
	Advance to supplier	-	1
	<b>Amount outstanding at the year end</b>		
	Other receivables*	0	-
Ador Multiproducts Limited	Sale of goods	45	36
	<b>Amount outstanding at the year end</b>		
	Trade receivable	3	9
<b>d) Key Management Persons</b>			
Ms. A. B. Advani	Remuneration	140	128
Mrs. N. Malkani Nagpal	Remuneration	99	89
Mr. S. M. Bhat	Remuneration	132	113
	Loan given	-	10
	<b>Amount outstanding at the year end</b>		
	Loan	4	8
Non-Executive Directors	Commission	30	35

\* Amount below ₹ 0.49 lakh has been rounded as per norms of the Company.

Notes:

1. Related party relationship is as identified by the Company and relied upon by the auditors.
2. The Company has shared facilities limits offered by HDFC Bank Limited to the extent of ₹ 100 lakhs (Previous year ₹ 100 lakhs) by earmarking working capital funds in favour of Ador Welding Academy Private Limited.
3. Considering the downturn of the operation, the employees of Plasma Laser Technologies (PLT), had approached Israel court in financial year 2014-15 for the purpose of liquidation and considering the same, Israel court has appointed the Official Liquidator to evaluate various options including revival or liquidation. Hence, the Management believes that the Company has lost its control on the affairs and assets of such subsidiary as the same is now vested with such official liquidator appointed by Israel court. Further management believes that there are no claims expected on the company on account of PLT. Hence, the same is not considered in related party transactions.



**Note 42 - Computation of profit for earnings per share:**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before exceptional items after tax (₹ in lakhs)	<b>1,867</b>	2,460
Profit after exceptional items after tax (₹ in lakhs)	<b>1,867</b>	2,265
Weighted average number of shares outstanding	<b>1,35,98,467</b>	1,35,98,467
Earnings per share before exceptional items after tax (basic and diluted) (₹)	<b>13.73</b>	18.09
Earnings per share after exceptional items after tax (basic and diluted) (₹)	<b>13.73</b>	16.65

**Note 43 - Disclosure in respect of derivative instruments:**

(a) Forward contracts outstanding

Particulars	Currency	Year ended 31 March 2017		Year ended 31 March 2016	
		Amount in foreign currency	₹ in lakhs	Amount in foreign currency	₹ in lakhs
Against exports	USD	<b>7,90,000</b>	<b>504</b>	1,82,916	119
Against imports	EURO	-	-	59,321	45
	USD	<b>4,28,482</b>	<b>283</b>	1,02,198	69

(b) Foreign currency exposures that are not hedged by derivative instruments:

Particulars	Currency	Year ended 31 March 2017		Year ended 31 March 2016	
		Foreign currency	₹ in lakhs	Foreign currency	₹ in lakhs
i) Debtors	USD	<b>2,60,379</b>	<b>163</b>	5,11,620	333
	EURO	<b>66,694</b>	<b>45</b>	66,694	49
ii) Creditors	USD	-	-	22,916	15
	EURO	<b>50,816</b>	<b>36</b>	13,787	11
	KWD	<b>13,69,274</b>	<b>3,003</b>	-	-
iii) Advance to creditors	USD	<b>89,941</b>	<b>57</b>	1,59,790	108
	EURO	<b>8,860</b>	<b>6</b>	1,708	1
	KWD	<b>138,425</b>	<b>286</b>	-	-
iv) Bank balances	USD	<b>6,04,014</b>	<b>386</b>	11,132	7
	AED	<b>62,032</b>	<b>11</b>	39,411	7

(c) All derivative instruments have been acquired for hedging purpose.

**Note 44 - Exceptional items :**

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
1.	The Company has paid ₹155 lakhs to the employees of Chennai plant as compensation alongwith full and final settlement of their dues on account of suspension of operations, ₹ 5 lakhs towards compensation to ex-employees in settlement of court cases pertaining to Ahmednagar plant and ₹ 7 lakhs toward compensation to ex-employees in settlement of court cases pertaining to Chinchwad plant.	-	(167)
2.	The Company has provided bonus of ₹ 28 lakhs for the year 2014-15 due to enactment of Payment of Bonus (Amendment) Act, 2015 with retrospective effect from 1 April 2014.	-	(28)
	<b>Total</b>	-	(195)

**Note 45 - Employee benefits:**

The disclosures required as per Accounting Standard 15 – “Employee Benefits (Revised 2005)”, are as under:

**Brief description of the plans:**

The Company has various schemes for employee benefits such as provident fund, superannuation and gratuity. In case of funded schemes, the funds are administered through trustees / appropriate authorities. The Company's defined contribution plans are superannuation, employees state insurance and provident fund, as the Company has no further obligation beyond making the contributions. The Company's defined benefit plans consist of provident fund and gratuity. The employees of the Company are entitled to compensated absences as per the Company's policy.

**I. Defined contribution plans:**

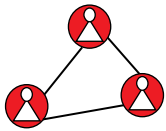
- (i) Provident fund
- (ii) Superannuation fund
- (iii) Employees state insurance fund

During the year, the Company has recognised the following amounts in the statement of profit and loss\*:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employer's contribution to superannuation fund	<b>36</b>	32
Employer's contribution to provident fund**	<b>114</b>	102
Employees state insurance fund	<b>11</b>	11
<b>Total</b>	<b>161</b>	145

\* included in Note 27- 'Employee benefits expense'

\*\* includes payment made to regulatory authorities other than to Ador Welding Employees Provident Fund Trust.



**II. Defined benefit plans** (Disclosure based on actuarial reports):

(a) Contribution to gratuity fund (funded scheme)

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>(i) Change in present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	<b>262</b>	282
Current service cost	<b>26</b>	27
Interest cost	<b>20</b>	22
Actuarial gain on obligation	<b>(5)</b>	(16)
Benefits paid	<b>(17)</b>	(53)
Present value of obligation at the end of the year	<b>286</b>	262
<b>(ii) Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	<b>173</b>	202
Expected return on plan assets	<b>14</b>	15
Actuarial loss	<b>(1)</b>	(1)
Contributions by employer	-	10
Benefits paid	<b>(17)</b>	(53)
<b>Fair value of plan assets at the end of the year</b>	<b>169</b>	173
<b>(iii) Actual return on plan assets</b>	<b>13</b>	14
<b>(iv) Assets and liabilities recognised in the balance sheet **</b>		
Present value of the defined benefit obligation at the end of the year	<b>286</b>	262
Less: Fair value of plan assets at the end of the year	<b>(169)</b>	(173)
Net liability recognised***	<b>117</b>	89
Recognised under provisions (Refer note 7)		
Long term provisions	<b>117</b>	89
Short term provisions	-	-
<b>(v) Expenses recognised in the statement of profit and loss:</b>		
Current service cost	<b>26</b>	27
Interest cost	<b>20</b>	22
Expected return on plan assets	<b>(14)</b>	(15)
Actuarial (gain) / loss recognised in the current year	<b>(4)</b>	(15)
Net gratuity cost recognised in the current year	<b>28</b>	19
<b>Included in Note 27 – ‘Employee benefits expense’</b>		
<b>(vi) Expected employer's contribution for the next year</b>	<b>50</b>	50

(₹ in lakhs)

Particulars	Year ended	
	31 March 2017	31 March 2016
<b>(vii) In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-</b>		
Discount rate (per annum)	<b>6.85%</b>	7.80%
Rate of return on plan assets	<b>8.00%</b>	8.00%
Salary escalation rate	<b>6.50%</b>	7.50%
<b>Attrition rate</b>		
21 years to 44 years	<b>18.45%</b>	18.45%
45 years and above	<b>12.62%</b>	12.62%
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		
<b>viii) Assets information:-</b>		
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 funded by Insurance Regulatory and Development Authority (IRDA) Regulations.		

(ix) Other information (experience adjustment)

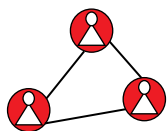
(₹ in lakhs)

Particulars	Period ended				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of obligation at the close of the year	<b>286</b>	262	282	277	302
Fair value of plan assets at the close of the year	<b>169</b>	173	202	232	235
Surplus / (deficit)	<b>(117)</b>	(89)	(80)	(45)	(67)
Experience adjustments on plan liabilities - gain / (loss)	<b>(5)</b>	(12)	(18)	(17)	2
Experience adjustments on plan assets - gain / (loss)*	<b>(1)</b>	(1)	(0)	6	(23)

\* Amounts below Rs. 0.49 lakh have been rounded as per the norms of the Company

\*\* Amounts have been recognised based on the information for the period ended 28 February 2017 and 29 February 2016

\*\*\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



(b) Provident fund liability

(₹ in lakhs)

Particulars	Year ended 31 March 2017**	Year ended 31 March 2016
<b>(i) Changes in present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	-	1,113
Current service cost	-	37
Interest cost	-	88
Actuarial (gain) / loss	-	(72)
Employees contribution	-	69
Liabilities assumed on acquisition / (settled on divestiture)	-	102
Benefits paid	-	(99)
Present value of obligation at the end of the year	-	1,238
<b>(ii) Change in fair value of assets</b>		
Fair value of plan assets at the beginning of the year	-	1,105
Expected return on plan assets	-	87
Actuarial gain / (loss)	-	(63)
Employer contributions during the period	-	37
Employee contributions during the period	-	69
Assets acquired on acquisition / (distributed on divestiture)	-	102
Benefits paid	-	(99)
Fair value of plan assets at the end of the year	-	1,238
<b>(iii) Actual return on plan assets</b>	-	23
<b>(iv) Assets and liabilities recognised in the balance sheet</b>		
Present value of the defined benefit obligation at the end of the year	-	1,238
Less: Fair value of plan assets at the end of the year	-	(1,238)
<b>Net liability / (asset) recognised</b>	-	-
Recognised under provisions		
Long term provisions	-	-
Short term provisions	-	-
<b>(v) Expenses recognised in the statement of profit and loss:</b>		
Current service cost	-	37
Interest cost	-	88
Expected return on plan assets	-	(87)
Net actuarial loss / (gain) recognised in the current year	-	(9)
Total expense*	-	29
*Included in Note 27 – 'Employee benefits expense'		
<b>(vi) Expected employer's contribution for the next year</b>	-	38

(₹ in lakhs)

Particulars	Year ended	
	31 March 2017**	31 March 2016
<b>(vii) In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-</b>		
Discount rate (per annum)	-	7.80%
Expected rate of return on assets	-	8.46%
Discount rate for the remaining term to maturity of the investment	-	7.77%
Average historic yield on the investment	-	8.43%
Guaranteed rate of return	-	8.75%
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		
<b>(viii) Assets information:-</b>		
Government of India securities	-	33%
Corporate bonds	-	26%
Special deposit schemes	-	23%
Equity shares of listed companies	-	0%
Others	-	19%

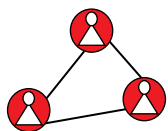
(ix) Other information (experience adjustment)

(₹ in lakhs)

Particulars	Period ended				
	31 March 2017**	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation at the end of the year	-	1,238	1,113	1,083	975
Fair value of plan assets at the end of the year	-	1,238	1,105	1,076	942
Surplus / (deficit)	-	-	(8)	(7)	(33)
Experience adjustments on plan liabilities - gain / (loss)	-	(72)	(89)	38	80
Experience adjustments on plan assets- gain / (loss)	-	(63)	(73)	50	90

\*\* The Company, with effect from November 2016 has discontinued contribution to Ador Welding Employees Provident Fund Trust and has started contributing to the regulatory authorities.





### III. Compensated absences \*

- (i) An amount of ₹ 14 lakhs (Previous year ₹ 50 lakhs) has been recognised as an expense in the statement of profit & loss account and included under note 27-“Employee benefits expense”.
- (ii) Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Long term	Short term	Long term	Short term
Liability as per actuarial valuation	<b>86</b>	<b>141</b>	83	136

\* have been recognised based on the information for the period ended 28 February 2017 and 29 February 2016.

**Note 46 -** The Company had received an offer letter from Ador Welding Academy Private Limited (AWAPL) with respect to its rights issue of 29 lakhs equity shares of ₹ 10 each at par, aggregating to ₹ 290 lakhs in the ratio of 290 equity shares for every 1 equity share held as on 28 April 2016, pursuant to the board resolution passed by the board of directors of AWAPL in the board meeting held on 28 April 2016, primarily for its additional working capital, capital expenditure and also for refund of loans, if any.

It had been further resolved by the Board of Directors of the Company in their meeting held on 10 May 2016 to subscribe to the right issue of 29 lakhs equity shares of AWAPL of ₹ 10 each at par, aggregating to ₹ 290 lakhs.

### **Note 47- Lease arrangements - Operating lease**

The Company's significant leasing arrangements are in respect of residential flats, office premises and vehicles taken on non-cancellable lease. The aggregate amount of operating lease rent debited to statement of profit & loss during the year is ₹ 127 lakhs (Previous year ₹ 122 lakhs)

(₹ in lakhs)

Particulars	Minimum lease payments	
	As at 31 March 2017	As at 31 March 2016
Amount due within one year	<b>72</b>	56
Amount due from one year to five years	<b>88</b>	130
Amount due from five years and above	<b>106</b>	122
<b>Total</b>	<b>266</b>	308

### **Note 48 - Lease obligation - Finance lease**

Net carrying amount of carrying asset as at balance sheet date – ₹ 2 lakhs (Previous year ₹ 18 lakhs). The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Minimum lease rentals payable as on balance sheet date**	0*	22
Present value of minimum lease rentals payable **	0*	20

(₹ in lakhs)

Particulars	Minimum Lease Payments		Present value of Minimum Lease Payments	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Amount due within one year	0*	22	0*	20
Amount due from one year to five years	-	-	-	-
Amount due from five years and above	-	-	-	-
<b>Total</b>	<b>0*</b>	<b>22</b>	<b>0*</b>	<b>20</b>

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

\*\* Includes interest on lease rentals

#### Note 49 - Lease Rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit & loss account during the year is ₹ 111 lakhs (previous year ₹ 73 lakhs)

(₹ in lakhs)

Particulars	Minimum Lease Receipt	
	As at 31 March 2017	As at 31 March 2016
Amount due within one year	100	52
Amount due from one year to five years	149	148
Amount due from five years and above	71	96
<b>Total</b>	<b>320</b>	<b>296</b>

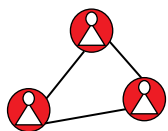
**Note 50 -** Balances of certain debtors, advances and creditors are subject to confirmation / reconciliation, if any. In the opinion of the Management such adjustments are not likely to be material.

**Note 51 -** 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 ₹ 51.67 lakhs as per Section 135(5) of the said Act. However, the Company has spent ₹ 41.18 lakhs on the activities mentioned in Schedule VII to the Companies Act, 2013

#### Details of CSR spend for the financial year 2016-17:

Total amount spent: ₹ 41.18 lakhs

Amount unspent: ₹ 10.49 lakhs



Manner in which the amount spent during the financial year 2016-17 is detailed below:-

(₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
1	Drinking water facility	Making available clean drinking water to the draught affected citizens of India	Funding for transporting water from Miraj to the draught affected citizens of Latur, Maharashtra	5.65
2	Vocational training	Vocational training for girl students	Imparting base weld training for girl students from poor families	4.03
3	Water facility	Hot Water facility to school students	Donated Solar water heater to a school run by Vanavasi Kalyan Ashram located near Silvassa plant	2.30
4	Vocational training	Vocational training to the poor & needy people	Sponsored for funding 'Skill Development Programme' for employment enhancement of the poor & needy people.	7.18
5	Vocational training	Vocational training for poor & needy	Sponsored / donated resistance welding equipment and accessories for taking up Skilling and entrepreneurship training programmes for the poor & needy in partnership with National skill development corporation.	10.26
6	Vocational training	Vocational Training for poor and needy	Sponsored 'Skill Development Programme' for poor and needy	3.92
7	Education	Promoting education for poor and needy in information technology	Purchased desktop computers & computer tables	0.69
8	Vocational training	Vocational training for underprivileged women	Imparting training programme for women in Jewellery making in Primpri Chinchwad Municipal Corporation Area.	1.80
9	Vocational training	Vocational training for poor and needy	Imparting base weld training for the poor & needy	4.65
10	Vocational training	Making arrangement of MS Structure shed	Paid to Chaphekar Samittee for making MS structure shed for students	0.70
<b>Total</b>				<b>41.18</b>

**Note 52** - Amounts below ₹ 0.49 lakh have been rounded off as per rounding off norms of the Company.

**Note 53** - The figures for the previous year are regrouped / re-arranged, wherever necessary.

For and on behalf of the Board of Directors

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

Sudhir N. Pillai  
**Partner**

V.M.Bhide  
**Head - Corp. Admin,  
Legal & Company  
Secretary**

Girish Patkar  
**Chief Financial Officer**

A.B.Advani  
**Executive Chairman**  
DIN: 00029256

S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

**Place:** Mumbai  
**Date:** 9 May 2017

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Ador Welding Limited

#### Report on the Consolidated Financial Statements

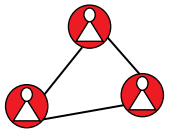
1. We have audited the accompanying consolidated financial statements of Ador Welding Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their reports referred to in paragraph 9 of the Other Matter is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.



### Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

9. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 153.71 lacs and net assets of Rs. 99.53 lacs as at 31 March 2017, total revenues of Rs. 102.65 lacs and net cash outflows amounting to Rs. 0.28 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports 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 and the financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

10. 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 statement and other financial information of the subsidiary, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
- c) The report of its subsidiary covered under the Act, audited by the other auditor has been properly dealt with in preparing this report.
- d) 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;
- e) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary company, none of the directors of the Group companies are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting 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';
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according

to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32 to the consolidated financial statements.
- (ii) the Group, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (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.
- (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified

bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the report of the other auditor on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

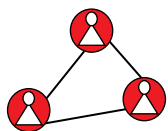
**Partner**

Membership No.: 105782

**Place:** Mumbai

**Date:** 9 May 2017





## **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 2017**

### **Annexure A**

#### **Independent Auditor's report on the Internal Financial Controls 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 the Ador Welding Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary company and which is a company incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary

company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR includes 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 over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

9. We did not audit the IFCoFR insofar as it relates to one subsidiary company which is a company incorporated in India, whose financial statements reflect total assets of Rs.153.71 lacs as at 31 March 2017, total revenues of Rs.102.65 lacs and net cash outflows amounting to Rs.0.28 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company, which is a company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary, which is a company incorporated in India, is solely based on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditor.

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

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

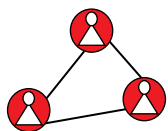
**Place:** Mumbai

**Partner**

**Date:** 9 May 2017

Membership No.: 105782



**CONSOLIDATED BALANCE SHEET**

(₹ in lakhs)

Particulars	Notes	As at	As at
		31 March 2017	31 March 2016
<b>Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	1,360	1,360
(b) Reserves and surplus	4	22,156	20,312
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	5	767	722
(b) Other long-term liabilities	6	21	21
(c) Long-term provisions	7	203	172
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	2,817	3
(b) Trade payables	9		
(i) Total outstanding dues of micro, small and medium enterprises		20	104
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises		7,273	7,687
(c) Other current liabilities	10	2,097	1,300
(d) Short-term provisions	11	1,083	1,835
<b>Total</b>		<b>37,797</b>	<b>33,516</b>
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		10,171	9,943
(ii) Intangible assets		56	62
(iii) Capital work-in-progress		380	136
(iv) Intangible assets under development		22	-
(b) Non-current investments	13	-	184
(c) Long-term loans and advances	14	2,612	2,165
(d) Other non-current assets	15	207	104
<b>(2) Current assets</b>			
(a) Current investments	16	1,041	1,021
(b) Inventories	17	4,746	4,299
(c) Trade receivables	18	7,707	11,985
(d) Cash and bank balances	19	2,154	1,413
(e) Short-term loans and advances	20	1,128	900
(f) Other current assets	21	7,573	1,304
<b>Total</b>		<b>37,797</b>	<b>33,516</b>

The notes form an integral part of these financial statements

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

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**  
Chartered AccountantsA.B.Advani  
**Executive Chairman**  
DIN: 00029256Sudhir N. Pillai  
**Partner**V.M.Bhide  
**Head - Corp.**  
**Admin, Legal &**  
**Company Secretary**Girish Patkar  
**Chief Financial**  
**Officer**S.M.Bhat  
**Managing Director**  
DIN: 05168265Place: Mumbai  
Date: 9 May 2017Place: Mumbai  
Date: 9 May 2017

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(₹ in lakhs)

Particulars	Notes	Year ended	Year ended
		31 March 2017	31 March 2016
<b>Revenue</b>			
Revenue from operations (gross)	22	48,097	45,131
Less : Excise duty		3,938	4,288
Less : Service tax		9	10
<b>Revenue from operations (net)</b>		<b>44,150</b>	<b>40,833</b>
<b>Other income</b>	23	<b>925</b>	<b>529</b>
<b>Total revenue</b>		<b>45,075</b>	<b>41,362</b>
<b>Expenses</b>			
Cost of materials consumed	24	30,594	26,144
Purchase of stock-in-trade	25	917	925
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(408)	(178)
Employee benefits expense	27	3,937	3,858
Finance costs	28	102	87
Depreciation and amortisation expense		1,135	1,179
Other expenses	29	6,013	5,993
<b>Total expenses</b>		<b>42,290</b>	<b>38,008</b>
<b>Profit before exceptional items and tax</b>		<b>2,785</b>	<b>3,354</b>
<b>Exceptional items [gain / (loss)]</b>	44	-	(195)
<b>Profit before tax</b>		<b>2,785</b>	<b>3,159</b>
<b>Tax expense:</b>			
Current tax		915	797
MAT credit (entitlement) / availment		-	278
Reversal of provision for earlier years		(19)	(20)
Deferred tax charge / (credit)		45	(135)
<b>Profit for the year</b>		<b>1,844</b>	<b>2,239</b>
<b>Earnings per equity share:</b>	42		
Basic and diluted earnings per share before exceptional items (net of tax) (₹10 per share)		13.56	17.90
Basic and diluted earnings per share after exceptional items (net of tax) (₹10 per share)		13.56	16.46

**The notes form an integral part of these financial statements**

This is the statement of Profit &amp; Loss referred to in our report of even date

**For and on behalf of the Board of Directors**

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

A.B.Advani

**Executive Chairman**

DIN: 00029256

 Sudhir N. Pillai  
**Partner**

 V.M.Bhide  
**Head - Corp.**  
**Admin, Legal &**  
**Company Secretary**

 Girish Patkar  
**Chief Financial**  
**Officer**

 S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

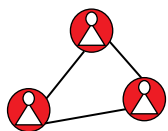
**Place:** Mumbai  
**Date:** 9 May 2017

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## CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
<b>A) Cash flow from operating activities</b>				
Profit before exceptional items and tax		2,785		3,354
<b>Adjustment for non-cash transactions:</b>				
Depreciation and amortisation expense	1,135		1,179	
Bad debts written off	8		164	
Provision for doubtful debts	46		73	
Loss on sale of fixed assets	2		52	
Reversal of provision for doubtful debts	(47)		-	
Provision for diminution in value of investments	8			
Assets written off / discarded	1		5	
<b>Items considered separately</b>				
Finance costs	102		87	
Interest received on government securities	(14)		(15)	
Dividend income	-		(1)	
Surplus on sale of investments	(236)		(59)	
Interest received from banks and others	(65)		(51)	
Rental income	(97)		(53)	
Exchange gain on revaluation of foreign currency monetary item	(43)		(12)	
<b>Exceptional items</b>				
Provision for bonus	-		(28)	
Compensation to employees	-	800	(167)	1,174
<b>Operating profit before working capital changes</b>		<b>3,585</b>		<b>4,528</b>
<b>Adjustments for increase / decrease in working capital</b>				
(Increase) / decrease in inventories	(447)		6	
(Increase) / decrease in trade receivables	4,261		(3,901)	
(Increase) / decrease in loans & advances and other receivables	(6,835)		(1,327)	
Increase / (decrease) in trade payables	(445)		3,701	
Increase / (decrease) in liabilities and provisions	911		404	
		<b>(2,555)</b>		<b>(1,117)</b>
Cash inflow from operations		<b>1,030</b>		<b>3,411</b>
Income tax paid		<b>(1,012)</b>		<b>(1,143)</b>
<b>Net cash generated from operating activities</b>		<b>18</b>		<b>2,268</b>
<b>B) Cash flow from investing activities</b>				
Acquisition of fixed assets and capital work in progress	(1,647)		(1,504)	
Purchase of investments	(1,041)		(3,901)	
Proceeds from sale of fixed assets	21		25	
Proceeds from sale of investments	1,433		3,400	
Interest income from government securities	14		15	
Dividend income	-		1	
Interest received from banks and others	71		51	
Rental income	91		50	

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(Investment in ) / proceeds from fixed deposits	(103)	1,479
<b>Net cash used in investing activities</b>	<b>(1,161)</b>	<b>(384)</b>
<b>C) Cash flow from financing activities</b>		
Finance costs	(102)	(87)
Finance lease obligation	(17)	(26)
Proceeds from short term borrowings	3,114	-
Repayment of short term borrowings	(300)	(3)
Dividend paid	(680)	(680)
Tax on dividend	(138)	(138)
<b>Net cash generated from / (used in) financing activities</b>	<b>1,877</b>	<b>(934)</b>
Net increase in cash and cash equivalents (A+B+C)	734	950
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,291</b>	<b>341</b>
<b>Cash and cash equivalents at the end of the year (refer note 19)</b>	<b>2,025</b>	<b>1,291</b>

Notes to the cash flow statement

**a) Cash and cash equivalents at year end comprise:**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Cash on hand	4	1
Cheques on hand	1,102	994
Balances with banks in current accounts	919	296
<b>Total</b>	<b>2,025</b>	<b>1,291</b>

**b)** The above cash flow statement has been prepared under the indirect method set out in accounting standard on cash flow statements (AS-3) issued by the Institute of Chartered Accountants of India.

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

**For and on behalf of the Board of Directors**

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

A.B.Advani  
**Executive Chairman**  
DIN: 00029256

Sudhir N. Pillai  
**Partner**

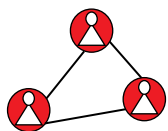
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Girish Patkar  
**Chief Financial  
Officer**

S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

**Place:** Mumbai  
**Date:** 9 May 2017



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### Note 1 - General Information

The consolidated financial statements relate to Ador Welding Limited ('the Company') and its subsidiary Company. The following subsidiary company is considered in the consolidated financial statements.

Name of subsidiary company	Country of incorporation	% of holding either directly or through subsidiary as at 31 March 2017
Ador Welding Academy Private Limited (AWAPL)	India	100 % Subsidiary (w.e.f. 24 July 2012)

### Note 1A

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit / loss	
	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit / loss	₹ in lakhs
<b>Parent</b>				
Ador Welding Limited	100.85%	23,715	101.25%	1,867
<b>Subsidiary</b>				
Ador Welding Academy Private Limited	(0.85%)	(199.47)	(1.25%)	(23)

### Note 2 - Statements of significant accounting policies and practices:-

Basis of preparation of financial statements:-

- The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31 March.
- The financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the "Act") and comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non- current classification of assets & liabilities.

#### Principles of consolidation :

The consolidated financial statements relate to Ador Welding Limited ('the Company') and its subsidiary (collectively referred to as 'the Group'). The consolidated financial statements have been prepared using uniform accounting policies and on the following basis:

- (i) The financial statements of the parent company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.
- (ii) The excess of the cost to the parent company of its investments in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as goodwill and assessed for impairment at each reporting date.

**Use of estimates:-**

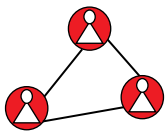
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of fixed assets, income tax and future obligations under employee retirement benefit plans. Although these estimates are based upon management’s knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

**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 the estimated costs necessary to make the sale.

**Recognition of income and expenditure:-**

1. Sale of goods is recognised on transfer of significant risks and rewards of ownership to the buyer which is generally on the dispatch of goods by the Company and are recognised net of trade discounts, sales tax and excise duty.
2. Service income is recognised on transfer of significant risks and rewards of ownership to the buyer and is accounted based on terms of contract entered into with the respective parties.
3. Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export India scheme are accounted in the year of export as export incentives.
4. Other revenue / income and cost / expenditure are generally accounted on accrual as they are earned or incurred.
5. Sale of services: In contract involving rendering of services revenue is recognised using the proportionate completion method in line with agreements / arrangements with concerned parties and is net of service tax.
6. Revenue from contracts: Revenue from fixed price contracts is recognised using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a regular basis throughout the delivery 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.



7. Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
8. Dividend: Dividend income is recognised when the right to receive dividend is established.

**Fixed assets: -**

1. Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
2. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
3. Items of fixed assets 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 & loss.
4. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit & loss.
5. 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.
6. Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. 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.
7. 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.
8. Cost of fixed assets not ready for their intended use before such date is disclosed under Capital work-in-progress.

**Foreign currency translation:-**

**Initial recognition** - Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

**Conversion** - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the balance sheet.

**Exchange differences** - Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**Translation of foreign operations:-**

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.



**Forward exchange contracts:-**

Forward contracts are entered into hedge the foreign currency risk. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts is recognised as income or as expense for the year.

The premium on option contract is recognised as an expense over the life of the contract.

**Investments:-**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value. Non-current investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Profit or loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value of the investment.

**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.

In respect of certain employees, provident fund contributions are made to Ador Welding Employees Provident Fund Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise. However, with effect from November 2016 the company has discontinued contribution to Ador Welding Employees Provident Fund Trust and has started contributing to the regulatory authorities.

The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

**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.

**Gratuity:** 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 losses / gains are recognised in the statement of profit & loss in the year in which they arise.

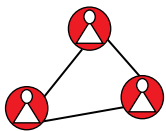
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**Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected 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 and when incurred.

**Borrowing costs:-**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit & loss in the period in which they are incurred.

**Segment reporting:-**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which are primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/ income".

**Leases:-**

**As a Lessee:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit & loss on a straight-line basis over the period of the lease.

The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation under secured borrowings. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of profit & loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

**As a Lessor:**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term, which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

**Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Taxes on income:-**
**Current tax:**

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

**Minimum alternate tax:**

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified period. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company and the asset can be measured reliably.

**Deferred tax:**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

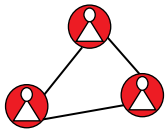
At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Impairment of assets:-**

The carrying amounts of the Company's 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 & loss or against revaluation surplus, where applicable.

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.



### **Provisions and Contingent Liabilities:-**

**Provisions:** provisions are 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 its present value and are determined based on management estimate required to settle the obligation at the balance sheet date.

**Contingent liabilities:** Contingent liabilities are disclosed in respect of possible obligations or present 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. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosure is made.

### **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.

### **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.

### **Cash and cash equivalents:-**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**Note 3 - Share Capital**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2017	31 March 2016
Authorised : 3,00,00,000 (Previous year 3,00,00,000) equity shares of ₹10 each	<b>3,000</b>	<b>3,000</b>
Issued, subscribed and paid up: 1,35,98,467 (Previous year 1,35,98,467) equity shares of ₹10 each, fully paid-up	<b>1,360</b>	1,360
<b>Total</b>	<b>1,360</b>	1,360

**Note 3a - Reconciliation of share capital**

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
<b>Equity shares:</b>				
Shares outstanding at the beginning of the year	<b>1,35,98,467</b>	<b>1,360</b>	1,35,98,467	1,360
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>1,35,98,467</b>	<b>1,360</b>	1,35,98,467	1,360

**Note 3b - Rights, preferences and restrictions attached to shares**

The Company has only one class of shares referred to as equity shares having a par (face) value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

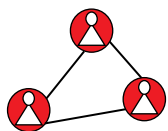
In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.

**Note 3c - Shares held by the holding company**

Particulars	As at	As at
	31 March 2017	31 March 2016
	No. of shares	No. of shares
<b>Equity shares of ₹ 10 each</b>		
J.B.Advani & Co. Private Limited	<b>68,00,531</b>	68,00,531

**Note 3d - Details of shares held by shareholders holding more than 5% of aggregate shares in the Company**

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of ₹ 10 each</b>				
J.B.Advani & Co. Private Limited	<b>68,00,531</b>	<b>50.01%</b>	68,00,531	50.01%
Reliance Capital Trustee Co. Limited	<b>11,67,129</b>	<b>8.58%</b>	9,91,605	7.29%
Sundaram Mutual Fund	<b>8,31,535</b>	<b>6.11%</b>	8,31,535	6.11%
<b>Total</b>	<b>87,99,195</b>	<b>64.70%</b>	86,23,671	63.41%



**Note 3e** - 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 2017.

**Note 4 - Reserves and surplus**

(₹ in lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
General reserve				
Balance at the beginning of the year	<b>13,774</b>		13,547	
Add : Transfer from statement of profit and loss	-		227	
Balance at the end of the year		<b>13,774</b>		13,774
Capital redemption reserve account		<b>223</b>		223
Surplus as per statement of profit and loss				
Balance at the beginning of the year	<b>6,315</b>		5,121	
Add : Net profit for the year	<b>1,844</b>		2,239	
Less : Transfer to general reserve	-		(227)	
Less : Proposed dividend [Refer note (a) below]	-		(680)	
Less : Tax on proposed dividend [Refer note (a) below]	-		(138)	
Balance at the end of the year		<b>8,159</b>		6,315
<b>Total</b>		<b>22,156</b>		20,312

Note:

(a) The Board has proposed dividend of ₹ 5 per share (for the previous year, proposed and approved dividend amounts to ₹ 5 per equity share).

**Note 5 - Deferred tax liabilities (net)**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax liability on account of :		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	<b>849</b>	825
Capital expenditure for scientific research	<b>108</b>	84
	<b>957</b>	909
Deferred tax assets on account of :		
Employee benefits	<b>119</b>	117
Voluntary retirement scheme	<b>3</b>	4
Provision for doubtful debts	<b>64</b>	65
Carry forward losses	<b>4</b>	1
	<b>190</b>	187
<b>Net deferred tax liabilities</b>	<b>767</b>	722

**Note 6 - Other long-term liabilities**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Rent deposits	21	21
<b>Total</b>	<b>21</b>	<b>21</b>

**Note 7 - Long-term provisions**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits :		
Gratuity (Refer note 45 (II) (a))	117	89
Compensated absences (Refer note 45 (III))	86	83
<b>Total</b>	<b>203</b>	<b>172</b>

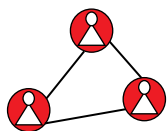
**Note 8 - Short-term borrowings**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Secured</b>		
<b>From banks</b>		
Working capital loans repayable on demand (Refer note (a) and (b) below)	2,500	-
Export packing credit facility (Refer note (a) and (b) below)	300	-
Overdraft facility (Refer note (c) below)	17	3
<b>Total</b>	<b>2,817</b>	<b>3</b>

Notes :

- Working capital loan and export packing credit facility are secured by way of hypothecation of company's entire stocks and book debts, both present and future, exclusive charge on the entire plant & 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.
- Guarantees given by bank to third parties amounting to ₹ 2,558 lakhs (Previous year ₹ 1,198 lakhs), on behalf of the company, are secured against securities mentioned in (a) above.
- Overdraft facility from HDFC bank is secured by way of hypothecation of stock in trade, accounts receivable and plant & machinery, both present and future of AWAPL, and debit authority letter from Ador Welding Limited for earmarking the CC limit of the parent company.



**Note 9 - Trade payables**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Dues to micro, small and medium enterprises (Refer note 34)	20	104
Dues of creditors other than micro, small and medium enterprises	7,273	7,687
<b>Total</b>	<b>7,293</b>	<b>7,791</b>

**Note 10 - Other current liabilities**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Current maturities of finance lease obligations* (Refer note 47)	-	17
Deposits:		
(a) Rent deposit	16	15
(b) From distributors	143	141
(c) From others	66	21
Employee benefits payable	132	126
Statutory dues	71	81
Unclaimed dividend	124	117
Advances received from distributors on behalf of customers	13	34
Advances received from customers **	629	287
Due to customers (Refer note 21)	-	-
Liability on account of bills discounting	747	266
Creditors for capital goods	46	27
Others	110	168
<b>Total</b>	<b>2,097</b>	<b>1,300</b>

\* Amounts below ₹ 0.49 lakhs have been rounded as per norms of the Company.

\*\* Includes an amount of ₹ 521 lakhs (Previous year Rs. 201 lakhs) on account of Project engineering business.

**Note 11 - Short-term provisions**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits		
- Compensated absences (Refer note 45(III))	141	136
Provision for excise duty on finished goods stock	534	377
Provision for warranties [Refer note (a) below]	64	49
Provision for proposed dividend [Refer note 4(a)]	-	680
Provision for tax on proposed dividend [Refer note 4(a)]	-	138
Provision for expenses [Refer note (b) below]	341	449
Provision for wealth tax	3	6
<b>Total</b>	<b>1,083</b>	<b>1,835</b>

**Notes:**

- (a) Provision of ₹ 64 lakhs (Previous year ₹ 49 lakhs) has been recognised for expected warranty claims on welding equipments and goods traded during the current financial year. It is expected that all these expenditures will be incurred in the next financial year.
- (b) Provision for expenses includes :

Particulars	As at 1 April 2016	Utilised during the year	Provision for the year	Unused / reversed amount	(₹ in lakhs)
					As at 31 March 2017
PEB project expenditure	30	30	2	-	2
Variable incentive pay	175	139	75	36	75
Bonus and commission payable to directors	60	60	67	-	67
Electricity expenses	22	22	10	-	10
Freight expenses	32	27	98	5	98
Legal and professional fees	10	5	5	5	5
Other expenses	120	104	84	16	84
<b>Total</b>	<b>449</b>	<b>387</b>	<b>341</b>	<b>62</b>	<b>341</b>

**Note 12 - Fixed assets**

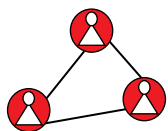
Particulars	Gross block - at cost					Depreciation					Net block		
	As at 1 April 2016	Additions	Adjustments	Deductions	As at 31 March 2017	As at 1 April 2016	For the year	Adjustments	Deductions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016	
	(₹ in lakhs)												
<b>Tangible assets</b>													
Land - freehold	193	-	-	-	193	-	-	-	-	-	193	193	
Land - leasehold [Refer note (a) below]	47	-	(1)	-	46	2	-	-	-	2	44	45	
Buildings [Refer note (b) below]	7,205	289	-	-	7,494	1,812	210	-	-	2,022	5,472	5,393	
Ownership premises [Refer note (c) below]	311	14	-	-	325	89	5	-	-	94	231	222	
Plant and equipments (including computers)	12,811	706	-	197	13,320	9,846	649	-	180	10,315	3,005	2,965	
Electrical installations	1,004	47	-	-	1,051	643	79	-	-	722	329	361	
Furniture and fixtures	821	50	-	12	859	551	55	-	11	595	264	270	
Office equipments	209	19	-	8	220	156	23	-	8	171	49	53	
Vehicles	256	126	-	39	343	110	31	-	34	107	236	146	
Temporary shed	3	-	-	-	3	3	-	-	-	3	-	-	
Leased assets - vehicles	100	-	-	55	45	82	16	-	55	43	2	18	
<b>Research and development assets :</b>													
Land freehold	34	-	-	-	34	-	-	-	-	-	34	34	
Buildings	127	-	-	-	127	88	1	-	-	89	38	39	
Plant and equipments (including computers)	615	92	-	-	707	419	21	-	-	440	267	196	
Furniture and fixtures*	4	-	-	-	4	0	-	-	-	0	4	4	
Air conditioners	7	-	-	-	7	3	1	-	-	4	3	4	
<b>Total</b>	<b>23,747</b>	<b>1,343</b>	<b>(1)</b>	<b>311</b>	<b>24,778</b>	<b>13,804</b>	<b>1,091</b>	<b>-</b>	<b>288</b>	<b>14,607</b>	<b>10,171</b>	<b>9,943</b>	
Previous year	22,669	1,515	-	437	23,747	13,043	1,117	-	356	13,804	9,943		

Particulars	Gross block - at cost					Amortisation					Net block		
	As at 1 April 2016	Additions	Adjustments	Deductions	As at 31 March 2017	As at 1 April 2016	For the year	Adjustments	Deductions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016	
	(₹ in lakhs)												
<b>Intangible assets</b>													
Computer software	476	38	-	-	514	414	44	-	0	458	56	62	
<b>Total</b>	<b>476</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>514</b>	<b>414</b>	<b>44</b>	<b>-</b>	<b>0</b>	<b>458</b>	<b>56</b>	<b>62</b>	
Previous year	463	13	-	-	476	352	62	-	-	414	62		

**Notes :-**

- (a) Leasehold land includes Land of ₹ 37.40 lakhs (net of amortisation ₹ 36.92 lakhs) acquired by the Company on a co-ownership / lease basis for which conveyance deed is yet to be executed.
- (b) Net book value of assets includes, net book value of assets at the Company's Ahmednagar division aggregating ₹ 111 lakhs, which have been retired from active use. As per the estimates made by the Management, the net realisable value of such fixed assets would atleast be equal to the carrying value of the fixed assets. Hence, in the opinion of the management, no expected loss needs to be recognised.
- (c) Includes :  
 (i) ₹ 0.01 lakh being the aggregate value of shares in Co-operative housing societies.  
 (ii) ₹ 4.17 lakhs for tenements in an association of apartment owners.  
 \* Amounts below ₹ 0.49 lakh have been rounded as per norms of the company.



**Note 13 - Non current investments (at cost)**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
A) Investments in government securities		
Rural Electrification Company Limited tax free secured redeemable non convertible bonds (Unquoted)	-	184
<b>Total</b>	<b>-</b>	<b>184</b>

**Note 14 - Long-term loans and advances**

Unsecured, considered good (unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital advances [Refer note (a) below]	69	126
Security deposits	240	215
Advance income tax [Refer note (b) below]	260	144
Balances with sales tax authorities	1,629	1,403
Export incentive receivable	383	260
Loans to employees	9	10
Loan to related parties (Refer note 41)	-	5
Prepaid expenses	22	2
<b>Total</b>	<b>2,612</b>	<b>2,165</b>

Notes :

(a) Capital advance includes :-

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Land at Silvassa	26	26
Factory building and road construction at Chinchwad	40	20
Plant and equipments	3	80
<b>Total</b>	<b>69</b>	<b>126</b>

(b) Advance payment against taxes is after yearwise set-off against provision for taxation of ₹ 3,707 lakhs (Previous year ₹ 3,491 lakhs).

**Note 15 - Other non-current assets**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Fixed deposits for bank guarantees (maturity more than twelve months)	207	104
<b>Total</b>	<b>207</b>	<b>104</b>

**Note 16 - Current investments**

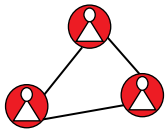
Particulars	(₹ in lakhs)	
	As at 31 March 2017	As at 31 March 2016
<b>A) Investment in mutual funds (Unquoted)</b>		
(At lower of cost and fair value)		
<b>Birla sunlife short term fund - direct plan - growth</b>	-	300
Nil (Previous year 5,69,673,976) units of ₹ 10 each		
NAV Nil (Previous year ₹ 325.10 lakhs)		
<b>Birla sunlife savings fund - direct plan - growth</b>	-	180
Nil (Previous year 65,494.770 units) of ₹ 100 each		
NAV Nil (Previous year ₹ 192.44 lakhs)		
<b>Birla sunlife balanced 95 fund - growth - direct plan</b>	25	-
3,884.159 units of ₹ 100 each		
NAV ₹ 27.63 lakhs		
<b>Birla sunlife dynamic bond fund - retail - growth - direct plan</b>	144	-
495,623.643 units of ₹ 10 each		
NAV ₹ 143.90 lakhs		
<b>Birla sunlife balanced 95 fund - growth - regular plan</b>	23	-
3,680.059 units of ₹ 100 each		
NAV ₹ 25.12 lakhs		
<b>DSP blackrock balanced fund - direct plan - growth</b>	15	-
12,209.416 units of ₹ 100 each		
NAV ₹ 16.54 lakhs		
<b>DSP blackrock liquidity fund - direct plan - growth</b>	200	-
8,601.498 units of ₹ 100 each		
NAV ₹ 200.05 lakhs		
<b>DSP blackrock balanced fund - regular plan - growth</b>	35	-
28,696.993 units of ₹ 100 each		
NAV ₹ 37.70 lakhs		
<b>Franklin India balanced fund - growth</b>	5	-
5,430.881 units of ₹ 10 each		
NAV ₹ 5.66 lakhs		
<b>HDFC balanced fund - regular plan - growth</b>	45	-
37,601.995 units of ₹ 100 each		
NAV ₹ 49.28 lakhs		
<b>HDFC banking and PSU debt fund - regular plan - growth</b>	235	-
1,798,561.151 units of ₹ 10 each		
NAV ₹ 237.68 lakhs		

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**Note 16 - Current investments (contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>HDFC high interest fund-dynamic plan - regular plan - growth</b> 85,942.845 units of ₹ 10 each NAV ₹ 48.67 lakhs	48	-
<b>ICICI Prudential balanced fund - growth</b> 53,322.947 units of ₹ 10 each NAV ₹ 60.93 lakhs	55	-
<b>Kotak low duration fund - standard growth - regular plan</b> Nil (Previous year 2,340.550 units) of ₹ 100 each NAV Nil (Previous year ₹ 42.63 lakhs)	-	41
<b>Religare Invesco fixed maturity plan - series XVIII - plan C - growth</b> Nil (Previous year 20,00,000 units) of ₹ 10 each NAV Nil (Previous year ₹ 255.81 lakhs)	-	200
<b>Reliance medium term fund - direct growth plan - growth option</b> Nil (Previous year 3,26,166.371 units) of ₹ 10 each NAV Nil (Previous year ₹ 103.51 lakhs)	-	100
<b>Reliance short term fund - growth plan - growth option</b> 3,63,280.856 units of ₹ 10 each NAV ₹ 111.95 lakhs	111	-
<b>Tata short term bond fund regular plan A - growth</b> Nil (Previous year 855,271.035) units of ₹ 10 each NAV Nil (Previous year ₹ 240.85 lakhs)	-	200
<b>Investment in mutual funds</b>	<b>941</b>	1,021
<b>B) Investment in debentures (Quoted) (Secured)</b> <b>JM Financial Services Limited</b> 10 units redeemable, non-convertible debentures of ₹ 10,00,000 each fully paid up	<b>100</b>	-
<b>Investment in debentures</b>	<b>100</b>	-
<b>Total</b>	<b>1,041</b>	1,021

Notes :

Aggregate value of unquoted investment is ₹ 965 lakhs (Previous year ₹ 1,106 lakhs)

Aggregate value of quoted investment is ₹ 100 lakhs.

**Note 17 - Inventories :**

(Lower of cost and net realisable value) (as certified by the Management)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
1) Raw materials and components and packing material	1,257	1,418
2) Work-in-progress	617	590
3) Finished goods *	2,467	1,925
4) Stock-in-trade	161	165
5) Stores, spare parts, scrap etc.	244	201
<b>Total</b>	<b>4,746</b>	<b>4,299</b>

\* includes provision of excise duty on finished goods amounting to ₹ 534 lakhs (Previous year ₹ 377 lakhs).

**Note 18 - Trade receivables:**

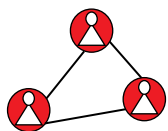
(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for less than six months from the date they are due for payment		
Secured, considered good [Refer note (a) below]	346	321
Unsecured, considered good	6,364	10,817
	<u>6,710</u>	<u>11,138</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good [Refer note (a) below]	17	-
Unsecured, considered good [Refer note (b) below]	980	847
Unsecured, considered doubtful	187	188
Less : Provision for doubtful debts	(187)	(188)
	<u>997</u>	<u>847</u>
<b>Total</b>	<b>7,707</b>	<b>11,985</b>

Notes:

(a) Secured by letter of credit.

(b) Includes an amount of ₹ 333 lakhs (Previous year ₹ 320 lakhs) on account of retention money of Project engineering business.



**Note 19 - Cash and bank balances:**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash and cash equivalents</b>		
i) Cash on hand	4	1
ii) Cheques on hand	1,102	994
iii) Balances with banks in current accounts	919	296
	<b>2,025</b>	1,291
<b>Other bank balances</b>		
i) Earmarked balances with banks (Dividend accounts)	124	117
ii) Deposits with maturity of more than three months but less than twelve months	5	5
	<b>129</b>	122
<b>Total</b>	<b>2,154</b>	1,413

**Note 19a - Disclosure of Specified Bank Notes:**

As per the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 30 March 2017, every Company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 in the following manner:

Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, are as follows:

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	6.65	1.73	8.38
Add: Permitted receipts	-	13.11	13.11
Add: Non-permitted receipts	0.23	-	0.23
Less: Permitted payments	0.36	11.38	11.74
Less: Amount deposited in banks	6.49	-	6.49
<b>Closing cash in hand as on 30 December 2016</b>	<b>0.03</b>	<b>3.46</b>	<b>3.49</b>

**Note 20 - Short-term loans and advances**

Unsecured, considered good (unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balances with central excise, customs and port trust	184	319
Loan to related parties (Refer note 41)	4	3
Loans and advances to employees	21	26
Advance to suppliers	808	472
Prepaid expenses	98	60
Others	13	20
<b>Total</b>	<b>1,128</b>	900

**Note 21 - Other current assets**

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Forward exchange difference receivables	19	8
Unbilled revenue on construction contracts (Refer note 22 (b))	7,495	1,218
Interest accrued but not due on fixed deposits	10	16
Other receivables	49	62
<b>Total</b>	<b>7,573</b>	<b>1,304</b>

**Note 22 - Revenue from operations (gross)**

(₹ in lakhs)

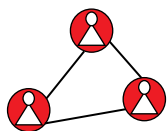
Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of goods		
Domestic	38,220	40,227
Export	9,237	3,674
Sale of services	488	1,024
Other operating revenue :		
Sale of scraps and others	152	206
<b>Total</b>	<b>48,097</b>	<b>45,131</b>

Notes:

a) Details of sale of products (net of excise duty) and services (net of service tax).

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Manufactured goods :		
Electrodes	15,373	15,207
Wires and fluxes	12,738	12,067
Equipments and spares	5,910	5,647
Project engineering business	8,293	5,580
Service income	479	1,014
Traded goods :		
Welding products and accessories	1,205	1,112
<b>Total</b>	<b>43,998</b>	<b>40,627</b>



b) Disclosure pursuant to AS 7 (Revised) - "Construction contracts"

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
i) Contract revenue recognised for the year	8,697	6,332
ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	8,976	4,430
iii) Amount of customer advances outstanding for contracts in progress (Refer note 10)	521	201
iv) Amount of retentions due from customers for contracts in progress (Refer note 18)	333	320
v) Amount due from customers (Refer note 21)	7,495	1,218
vi) Amount due to customers	-	-

The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid, but not recovered for free goods, breakages / damages and captive consumption, which has been included under the head 'other expenses' as 'miscellaneous expenses'.

**Note 23 - Other income**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest received on:		
i) Government securities	14	15
ii) Fixed deposits with banks	15	19
iii) Overdue amount from customers	46	26
iv) Letter of credit	1	1
v) Others	3	5
Surplus on sale of investments	236	59
Rent received (Refer note 48)	97	53
Duty drawback and export incentive	126	69
Insurance recovered (net of expense)	41	41
Dividend income	-	1
Foreign currency fluctuation gain (net)	177	149
Provisions / liabilities no longer required now written back	93	45
Miscellaneous income	76	46
<b>Total</b>	<b>925</b>	<b>529</b>

**Note 24 - Cost of materials consumed:**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock	1,418	1,619
Add: Purchases during the year	30,433	25,943
Less: Closing stock	(1,257)	(1,418)
<b>Total</b>	<b>30,594</b>	<b>26,144</b>

Notes:

(a) Details of raw materials and components and packing materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Wires and rods	13,947	12,664
Titanium dioxide and rutile sand	830	868
Manganese	659	659
Metal, nickel and Iron powder	457	495
Electrical components	1,285	1,202
Mechanical fittings	3,490	5,871
Others	9,926	4,385
<b>Total</b>	<b>30,594</b>	<b>26,144</b>

(b) Value of imported and indigenous raw materials and components and packing materials consumed

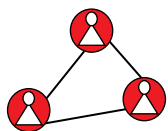
Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Imported	3,455	11	4,120	16
Indigenous	27,139	89	22,024	84
<b>Total</b>	<b>30,594</b>	<b>100</b>	<b>26,144</b>	<b>100</b>

**Note 25 - Purchase of stock-in-trade:**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Welding products	322	319
Welding accessories	595	606
<b>Total</b>	<b>917</b>	<b>925</b>





**Note 26 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(₹ in lakhs)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	<b>Opening stock :</b>			
Finished goods	1,925		1,591	
Stock-in-trade	165		123	
Work-in-progress	590	2,680	713	2,427
<b>Closing stock :</b>				
Finished goods	2,467		1,925	
Stock-in-trade	161		165	
Work-in-progress	617	3,245	590	2,680
Add / (less): Variation in excise duty on opening and closing stock of finished goods		157		75
<b>Total</b>		<b>(408)</b>		<b>(178)</b>

Notes:

(a) Details of finished goods

(₹ in lakhs)

Particulars	Closing stock		Opening stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
<b>Manufactured goods</b>				
Electrodes	1,265	858	858	639
Wires and fluxes	526	501	501	495
Equipment	676	566	566	457
<b>Total</b>	<b>2,467</b>	1,925	1,925	1,591

(b) Details of stock-in-trade

(₹ in lakhs)

Particulars	Closing stock		Opening stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
Welding products and accessories	161	165	165	123
<b>Total</b>	<b>161</b>	165	165	123

(c) Details of work-in-progress

(₹ in lakhs)

Particulars	Closing Stock		Opening Stock	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016	As at 1 April 2015
Consumables	355	272	272	464
Equipment	262	298	298	245
Project engineering business	-	20	20	4
<b>Total</b>	<b>617</b>	590	590	713

**Note 27 - Employee benefits expense:**

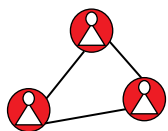
Particulars	(₹ in lakhs)	
	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	3,320	3,370
Contribution to provident and other funds (Refer note 45(I))	162	145
Contribution to gratuity (Refer note 45(II)(a))	28	19
Staff welfare expenses	427	324
<b>Total</b>	<b>3,937</b>	<b>3,858</b>

**Note 28 - Finance costs:**

Particulars	(₹ in lakhs)	
	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense on :		
Bill discounting of invoices	54	17
Security deposit from distributors	-	8
Finance lease obligation	1	4
Others	-	50
Other borrowing costs	47	8
<b>Total</b>	<b>102</b>	<b>87</b>

**Note 29 - Other expenses:**

Particulars	(₹ in lakhs)	
	Year ended 31 March 2017	Year ended 31 March 2016
Manufacturing and other expenses (Refer note 30)	2,523	2,376
Electricity and power expenses	26	28
Rent (Refer note 46)	142	134
Freight	458	487
Legal and professional fees	245	347
Insurance	20	24
Repairs and maintenance - others	151	143
Travelling, conveyance and vehicle expenses	696	657
Directors fees	5	6
Telephone, postage and telegram	197	170
Rates and taxes	54	70
Advertisement and sales promotion expenses	89	107
Commission	20	20
Bad debts written off (net)	8	164
Provision for doubtful debts	46	73
Loss on sale of fixed assets (net)	2	52
Assets written off / discarded	1	5
Printing and stationery	71	58
Auditors' remuneration (Refer note 31)	28	27
Corporate social responsibility	41	18
Selling and distribution incentive	216	321
Bank charges	102	72
Provision for diminution in value of investment	8	-
Miscellaneous expenses	864	634
<b>Total</b>	<b>6,013</b>	<b>5,993</b>



**Note 30 - Manufacturing and other expenses**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores, spare parts and scraps (Refer note (a))	536	638
Power and fuel	868	776
Repairs to machinery	95	94
Repairs to building	27	82
Other manufacturing expenses	997	786
<b>Total</b>	<b>2,523</b>	<b>2,376</b>

Note :

(a) Value of imported and indigenous stores and spare parts consumed

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	(₹ in lakhs)	%	(₹ in lakhs)	%
Imported	40	7	91	14
Indigenous	496	93	547	86
<b>Total</b>	<b>536</b>	<b>100</b>	<b>638</b>	<b>100</b>

**Note 31 - Auditor's remuneration (excluding service tax)**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Statutory audit fees	13	13
Tax audit fees	5	5
Certification and other matters	8	8
Reimbursement of out of pocket expenses	2	1
<b>Total</b>	<b>28</b>	<b>27</b>

**Note 32 - Contingent liabilities not provided for :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Disputed sales tax as the matters are in appeal (advance paid ₹ 46 lakhs; previous year ₹ 75 lakhs)	251	2,858
b) Disputed excise duties as the matters are in appeal (advance paid ₹ 2 lakhs; previous year ₹ 2 lakhs)	23	118
c) Disputed income tax as the matters are in appeal (advance paid ₹ 9 lakhs)	63	-
d) Bonds submitted to customs authorities for import of goods under advance license scheme.	-	76
e) Bank guarantees	2,558	1,198
f) On account of pending C-forms	1,479	1,693
g) Other matters	185	148

Future cash outflows in respect of the 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 33 - Estimated amount of contracts remaining to be executed:**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
On Capital account and not provided for (net of advances)	<b>299</b>	346

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**Note 34 - Micro, small and medium enterprises (Refer note 9):**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>20</b>	104
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>0*</b>	1
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under the MSMED Act beyond the appointed day during the year	-	-
Further interest remaining due and payable for earlier years	-	-
The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.		

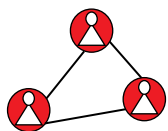
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\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the company

**Note 35 -** Revenue expenditure incurred during the year on research and development, through the natural heads of account, amounts to ₹ 415 lakhs (Previous year ₹ 371 lakhs) (including depreciation ₹ 23 lakhs; Previous year ₹ 20 lakhs) and capital expenditure thereof amounts to ₹ 92 lakhs (Previous year ₹ 14 lakhs).

**Note 36 - Details of C.I.F. value of imports :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Raw materials and components	3,304	3,966
Capital goods	37	27
Spares, etc.	9	25
Purchase of stock-in-trade	126	188

**Note 37 - Details of expenditure in foreign currency :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Travelling	65	74
Staff Training	25	-
Bank charges	7	6
Salaries, rent and other administrative expenses at Sharjah office	195	213
Others	2	17

**Note 38 - Details of earnings in foreign exchange :**

(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
F.O.B. value of exports (net of returns)	9,237	3,674
Service charges received	367	489

**Note 39 - Details of dividend remitted to non-resident shareholders in foreign currency:\***

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Number of non-resident shareholders	66	66
Number of equity shares held	9,263	9,363
Financial year ended for which dividend is remitted	2015-16	2014-15
Amount of dividend remitted (₹ in lakh)	0.46	0.47

\*excluding dividend credited to the shareholders' non-resident external accounts with banks in India.

**Note 40 - Segment information:**
**A) Business segment**

(₹ in lakhs)

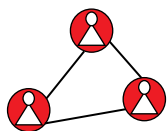
Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
<b>Segment revenue</b>						
External revenue	<b>28,235</b>	27,470	<b>15,915</b>	13,363	<b>44,150</b>	40,833
Inter segment revenue	-	-	-	-	-	-
Total revenue	<b>28,235</b>	27,470	<b>15,915</b>	13,363	<b>44,150</b>	40,833
<b>Segment result before interest and tax</b>	<b>3,598</b>	3,480	<b>270</b>	1,266	<b>3,868</b>	4,746
Add / (less) :						
Unallocable expenses (net of unallocable income)					<b>(981)</b>	(1,305)
Interest and finance charges (net)					<b>(102)</b>	(87)
Excess / (short) provision of taxes for earlier years					<b>19</b>	20
Exceptional items (net)					-	(195)
Provision for taxes (net of deferred tax)					<b>(960)</b>	(940)
Net profit after tax					<b>1,844</b>	2,239
<b>Other information</b>						
<b>Segment assets</b>	<b>15,419</b>	15,558	<b>17,553</b>	13,829	<b>32,972</b>	29,387
Unallocated assets					<b>4,825</b>	4,129
Total assets					<b>37,797</b>	33,516
<b>Segment liabilities</b>	<b>3,281</b>	3,624	<b>8,640</b>	6,212	<b>11,921</b>	9,836
Unallocated liabilities					<b>2,360</b>	2,008
Total liabilities					<b>14,281</b>	11,844
<b>Capital employed</b>						
Segment wise capital employed	<b>12,138</b>	11,934	<b>8,913</b>	7,617	<b>21,051</b>	19,551
Unallocable corporate assets net of unallocable corporate liabilities					<b>2,465</b>	2,121
Total capital employed					<b>23,516</b>	21,672

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(₹ in lakhs)

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
<b>Capital expenditure</b>						
Segment capital expenditure	593	988	654	474	1,247	1,462
Unallocated capital expenditure					134	66
Total capital expenditure (Tangible and intangible assets)					1,381	1,528
<b>Depreciation and amortisation</b>						
Segment depreciation and amortisation	709	730	316	312	1,025	1,042
Unallocated depreciation and amortisation					110	137
Total depreciation and amortisation					1,135	1,179
<b>Significant non cash expenditure</b>						
Segment significant non cash expenditure	1	5	-	-	1	5
Unallocated significant non cash expenditure					-	-
Total significant non cash expenditure	-	-	-	-	1	5

## B) Geographical segment

(₹ in lakhs)

Particulars	India		Outside India		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Segment revenue	34,546	36,670	9,604	4,163	44,150	40,833
Carrying amount of segment assets	40,033	33,030	(2,236)	486	37,797	33,516
Additions to fixed assets (Tangible and intangible assets)	1,370	1,519	11	9	1,381	1,528

**C) Other disclosures**

1. Segments have been identified in line with the Accounting Standard on "Segment Reporting" (AS – 17) taking into account the organisation structure as well as differential risks & returns of these segments.
2. The Company has disclosed business segment as the primary segment.
3. Types of products and services in each business segment:

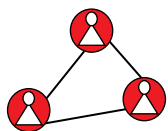
<b>Business segment</b>	<b>Types of products and services</b>
a) Consumables	Electrodes, wires, agency items related to consumables from Silvassa, Raipur, Chinchwad and Chennai plant.
b) Equipment and project engineering business	Equipment, spares, cutting products and agency items related to equipment, cutting products, design, engineering, procurement, commissioning of flares, incinerators, furnaces, etc. from Chinchwad plant and sale of products and services in relation to Ador Welding Academy Private Limited.

4. The Segment revenue, results, assets & liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

**Note 41- Related parties disclosure**
**A. Relationships**

<b>Relationship</b>	<b>Name of the Persons / Company</b>
a) Holding company	J. B. Advani & Co. Private Limited
b) Fellow subsidiaries	Ador Powertron Limited (Subsidiary of J.B.Advani & Co. Private Limited) Mack Valves India Private Limited (Indirect subsidiary of J.B. Advani & Co. Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Co. Private Limited)
c) Companies in which holding Company has significant influence and its associates	Ador Fontech Limited Ador Multiproducts Limited Ador Digatron Private Limited
d) Key Management Personnel	Ms. A. B. Advani. Mr. S. M. Bhat. Mrs. N. Malkani Nagpal





**B. Transactions during the year and amount outstanding at the year end**

(₹ in lakhs)

Relationship / Name of the Related Party	Description of the nature of transactions	Value of the transactions	
		Year ended 31 March 2017	Year ended 31 March 2016
a) Holding company			
J B Advani & Co. Private Limited	Sale of goods	17	11
	Purchase of goods and services received	1,015	937
	Rent received (gross)	29	29
	Rent paid (gross)	16	16
	Reimbursement of expenses (incurred to other companies).	7	4
	Recovery of expenses (from other companies).	14	13
	<b>Amount outstanding at the year end</b>		
	Outstanding receivable*	-	0
Trade payable	104	110	
b) Fellow subsidiaries			
Ador Powertron Limited	Sale of goods*	0	-
	Purchase of fixed assets	-	3
	Purchase of goods*	0	1
	Recovery of expenses (from other companies)	1	1
	Rent received (gross)	1	1
	<b>Amount outstanding at the year end</b>		
Other Receivable*	0	-	
Ador Green Energy Private Limited	Commission / business support / facilitation charges	-	54
c) Companies in which Holding Company has significant influence and its associates			
Ador Fontech Limited	Sale of goods	190	128
	Purchase of goods	19	23
	Recovery of expenses (from other companies)	6	6
	Reimbursement of expenses (incurred to other companies)	2	-
	Rent received (gross)	5	5

**B. Transactions during the year and amount outstanding at the year end**

(₹ in lakhs)

Relationship / Name of the Related Party	Description of the nature of transactions	Value of the transactions	
		Year ended 31 March 2017	Year ended 31 March 2016
Ador Fontech Limited (contd)	Sale of fixed assets	9	-
	Advance to supplier	-	1
	<b>Amount outstanding at the year end</b>		
	Other Receivable*	0	-
	Trade payable	6	-
Ador Multiproducts Limited	Sale of goods	45	36
	<b>Amount outstanding at the year end</b>		
	Trade receivable	3	9
d) Key Management Persons			
Ms. A. B. Advani	Remuneration	140	128
Mrs. N. Malkani Nagpal	Remuneration	99	89
Mr. S. M. Bhat	Remuneration	132	113
	Loan given during the year	-	10
	<b>Amount outstanding at the year end</b>		
	Loan	4	8
Non-Executive Directors	Commission	30	35

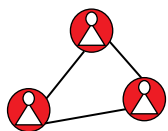
\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

Note:

1. Related party relationship is as identified by the Company and relied upon by the auditors.

**Note 42 - Computation of profit for earnings per share:**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before exceptional items after tax (₹ in lakhs)	1,844	2,434
Profit after exceptional items after tax (₹ in lakhs)	1,844	2,239
Weighted average number of shares outstanding	1,35,98,467	1,35,98,467
Earnings per share before exceptional items after tax (basic and diluted) (₹)	13.56	17.90
Earnings per share after exceptional items after tax (basic and diluted) (₹)	13.56	16.46



**Note 43 - Disclosure in respect of derivative instruments:**

(a) Forward contracts outstanding

Particulars	Currency	Year ended 31 March 2017		Year ended 31 March 2016	
		Amount in foreign currency	₹ in lakhs	Amount in foreign currency	₹ in lakhs
Against exports	USD	7,90,000	504	1,82,916	119
Against imports	EURO	-	-	59,321	45
	USD	4,28,482	283	1,02,198	69

(b) Foreign currency exposures that are not hedged by derivative instruments:

Particulars	Currency	Year ended 31 March 2017		Year ended 31 March 2016	
		Amount in foreign currency	₹ in lakhs	Amount in foreign currency	₹ in lakhs
i) Debtors	USD	2,60,379	163	5,11,620	333
	EURO	66,694	45	66,694	49
ii) Creditors	USD	-	-	22,916	15
	EURO	50,816	36	13,787	11
	KWD	13,69,274	3,003	-	-
iii) Advance to creditors	USD	89,941	57	1,59,790	108
	EURO	8,860	6	1,708	1
	KWD	1,38,425	286	-	-
iv) Bank balances	USD	6,04,014	386	11,132	7
	AED	62,032	11	39,411	7

(c) All derivative instruments have been acquired for hedging purpose.

**Note 44 - Exceptional items:**

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
1	The Company has paid ₹ 155 lakhs to the employees of Chennai plant as compensation alongwith full and final settlement of their dues on account of suspension of operations, ₹ 5 lakhs towards compensation to ex-employees in settlement of court cases pertaining to Ahmednagar plant and Rs. 7 lakhs toward compensation to ex-employees in settlement of court cases pertaining to Chinchwad plant.	-	(167)
2	The Company has provided bonus of ₹ 28 lakhs for the year 2014-15 due to enactment of Payment of Bonus (Amendment) Act, 2015 with retrospective effect i.e. from 1 April 2014.	-	(28)
	<b>Total</b>	-	(195)

**Note 45 - Employee benefits:**

The disclosures required as per Accounting Standard 15 – “Employee Benefits (Revised 2005)”, are as under:

**Brief description of the plans:**

The Company has various schemes for employee benefits such as provident fund, superannuation and gratuity. In case of funded schemes, the funds are administered through trustees / appropriate authorities. The Company’s defined contribution plans are superannuation, employees state insurance and provident fund, as the Company has no further obligation beyond making the contributions. The Company’s defined benefit plans consist of provident fund and gratuity. The employees of the Company are entitled to compensated absences, as per the Company’s policy.

**I. Defined contribution plans:**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) Employees state insurance fund

During the year, the Company has recognised the following amounts in the statement of profit and loss\*:

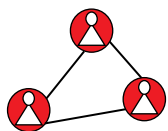
Particulars	(₹ in lakhs)	
	Year ended 31 March 2017	Year ended 31 March 2016
Employer’s contribution to superannuation fund	36	32
Employer’s contribution to provident fund**	114	102
Employees state insurance fund	11	11
<b>Total</b>	<b>161</b>	<b>145</b>

\* included in Note 27- ‘Employee benefits expense’

\*\* includes payment made to regulatory authorities other than to Ador Welding Employees Provident Fund Trust.

**II. Defined benefit plans (Disclosure based on actuarial reports):**
**a. Contribution to gratuity fund (funded scheme)**

Particulars	(₹ in lakhs)	
	Year ended 31 March 2017	Year ended 31 March 2016
(i) Change in present value of defined benefit obligation		
Present value of obligation at the beginning of the year	262	282
Current service cost	26	27
Interest cost	20	22
Actuarial gain on obligation	(5)	(16)
Benefits paid	(17)	(53)
Present value of obligation at the end of the year	286	262
(ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	173	202
Expected return on plan assets	14	15
Actuarial loss	(1)	(1)



(₹ in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Contributions by employer	-	10
Benefits paid	<b>(17)</b>	(53)
Fair value of plan assets at the end of the year	<b>169</b>	173
(iii) Actual return on plan assets	<b>13</b>	14
(iv) Assets and liabilities recognised in the balance sheet **		
Present value of the defined benefit obligation at the end of the year	<b>286</b>	262
Less: Fair value of plan assets at the end of the year		
Net liability recognised ***	<b>(169)</b>	(173)
Recognised under provisions (Refer note 7)	<b>117</b>	89
Long term provisions	<b>117</b>	89
Short term provisions	-	-
(v) Expenses recognised in the statement of profit and loss:		
Current service cost	<b>26</b>	27
Interest cost	<b>20</b>	22
Expected return on plan assets	<b>(14)</b>	(15)
Actuarial (gain) / loss recognised in the current year	<b>(4)</b>	(15)
Net gratuity cost recognised in the current year	<b>28</b>	19
Included in note 27 'Employee benefits expense'		
(vi) Expected employer's contribution for the next year	<b>50</b>	50
(vii) In accordance with the Accounting Standard -15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-		
Discount rate (per annum)	<b>6.85%</b>	7.80%
Rate of return on plan assets	<b>8.00%</b>	8.00%
Salary escalation rate	<b>6.50%</b>	7.50%
<b>Attrition rate</b>		
21 years to 44 years	<b>18.45%</b>	18.45%
45 years and above	<b>12.62%</b>	12.62%
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		
viii) 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.		

(ix) Other information (Experience adjustment)

(₹ in lakhs)

Particulars	Period ended				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of obligation at the close of the year	<b>286</b>	262	282	277	302
Fair value of plan assets at the close of the year	<b>169</b>	173	202	232	235
Surplus / (deficit)	<b>(117)</b>	(89)	(80)	(45)	(67)
Experience adjustments on plan liabilities - gain / (loss)	<b>(5)</b>	(12)	(18)	(17)	2
Experience adjustments on plan assets - gain / (loss)*	<b>(1)</b>	(1)	(0)	6	(23)

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

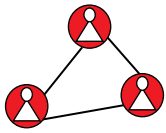
\*\* Amounts have been recognised based on the information for the period ended 28 February 2017 and 29 February 2016.

\*\*\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

b. Provident fund liability

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2017**	Year ended 31 March 2016
(i)	Changes in the present value of defined benefit obligation		
	Present value of obligation at the beginning of the year	-	1,113
	Current service cost	-	37
	Interest cost	-	88
	Actuarial (gain) / loss	-	(72)
	Employees contribution	-	69
	Liabilities assumed on acquisition / (settled on divestiture)	-	102
	Benefits paid	-	(99)
	Present value of obligation at the end of the year	-	1,238
(ii)	Change in fair value of assets		
	Fair value of plan assets at the beginning of the year	-	1,105
	Expected return on plan assets	-	87
	Actuarial gain / (loss)	-	(63)
	Employer contributions during the period	-	37
	Employee contributions during the period	-	69
	Assets acquired on acquisition / (distributed on divestiture)	-	102



		(₹ in lakhs)	
Sr. No.	Particulars	Year ended 31 March 2017**	Year ended 31 March 2016
	Benefits paid	-	(99)
	Fair value of plan assets at the end of the year	-	1,238
(iii)	Actual return on plan assets	-	23
(iv)	Asset and liabilities recognised in balance sheet		
	Present value of the defined benefit obligation at the end of the year	-	1,238
	Less :Fair value of plan assets at the end of the year	-	(1,238)
	<b>Net liability / (asset) recognised</b>		
	Recognised under provisions	-	-
	Long term provisions	-	-
	Short term provisions	-	-
(v)	<b>Expenses recognised in the statement of profit and loss:</b>		
	Current service cost	-	37
	Interest cost	-	88
	Expected return on plan assets	-	(87)
	Net actuarial loss / (gain) recognised in the current year	-	(9)
	Total expense*	-	29
	*Included in Note 27 – 'Employee benefits expense'		
(vi)	Expected employer's contribution for the next year	-	38
(vii)	In accordance with the Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-		
	Discount rate (per annum)	-	7.80%
	Expected rate of return on assets	-	8.46%
	Discount rate for the remaining term to maturity of the investment	-	7.77%
	Average historic yield on the investment	-	8.43%
	Guaranteed rate of return	-	8.75%
	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.		
(viii)	Asset information:		
	Government of India securities	-	33%
	Corporate bonds	-	26%
	Special deposit schemes	-	23%
	Equity shares of listed companies	-	0%
	Others	-	19%

**(ix) Other information (Experience adjustment)**

(₹ in lakhs)

Particulars	Period ended				
	31 March 2017**	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation at the end of the year	-	1,238	1,113	1,083	975
Fair value of plan assets at the end of the year	-	1,238	1,105	1,076	942
Surplus / (deficit)	-	-	(8)	(7)	(33)
Experience adjustments on plan liabilities - gain / (loss)	-	(72)	(89)	38	80
Experience adjustments on plan assets - gain / (loss)	-	(63)	(73)	50	90

\*\* The Company, with effect from November 2016 has discontinued contribution to Ador Welding Employees Provident Fund Trust and has started contributing to the regulatory authorities.

**III. Compensated absences \***

- An amount of ₹ 14 lakhs (Previous year ₹ 50 lakhs) has been recognised as an expense in the statement of profit & loss and included under note 27 "Employee benefits expense"
- Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Long term	Short term	Long term	Short term
Liability as per actuarial valuation	86	141	83	136

\* have been recognised based on the information for the period ended 28 February 2017 and 29 February 2016

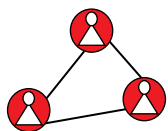
**Note 46- Lease arrangements - Operating lease**

The Company's significant leasing arrangements are in respect of residential flats, office premises and vehicles taken on non- cancellable lease. The aggregate amount of operating lease rent debited to statement of profit & loss during the year is ₹ 142 lakhs (Previous year ₹ 134 lakhs)

(₹ in lakhs)

Particulars	Minimum lease payments	
	As at 31 March 2017	As at 31 March 2016
Amount due within one year	72	56
Amount due from one year to five years	88	130
Amount due from five years and above	106	122
<b>Total</b>	<b>266</b>	<b>308</b>



**Note 47 - Lease obligation – Finance lease**

Net carrying amount of carrying assets as at balance sheet date – ₹ 2 lakhs (Previous year ₹ 18 lakhs)

The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(₹ in lakhs)

Particulars	As at	As at
	31 March 2017	31 March 2016
Minimum lease rentals payable as on balance sheet date**	0*	22
Present value of minimum lease rentals payable**	0*	20

(₹ in lakhs)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Amount due within one year	0*	22	0*	20
Amount due from one year to five years	-	-	-	-
Amount due from five years and above	-	-	-	-
<b>Total</b>	<b>0*</b>	<b>22</b>	<b>0*</b>	<b>20</b>

\* Amounts below ₹ 0.49 lakh have been rounded as per norms of the Company

\*\* Includes interest on lease rentals

**Note 48 - Lease rental**

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to the statement of profit & loss during the year is ₹ 97 lakhs (Previous year ₹ 53 lakhs)

(₹ in lakhs)

Particulars	Minimum lease receipt	
	As at 31 March 2017	As at 31 March 2016
Amount due within one year	86	52
Amount due from one year to five years	149	148
Amount due from five years and above	71	96
<b>Total</b>	<b>306</b>	<b>296</b>

- Note 49** - Balances of certain debtors, advances and creditors are subject to confirmation / reconciliation, if any. In the opinion of the Management such adjustment are not likely to be material.
- Note 50** - Amounts below ₹ 0.49 lakh have been rounded off as per rounding off norms of the Company.
- Note 51** - The figures for the previous year are regrouped/ re-arranged wherever necessary.

**For and on behalf of the Board of Directors**

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

A.B.Advani  
**Executive Chairman**  
DIN: 00029256

Sudhir N. Pillai  
**Partner**

V.M.Bhide  
**Head - Corp.  
Admin, Legal &  
Company Secretary**

Girish Patkar  
**Chief Financial  
Officer**

S.M.Bhat  
**Managing Director**  
DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

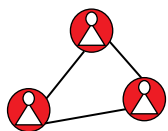
**Place:** Mumbai  
**Date:** 9 May 2017

CORPORATE PROFILE

STATUTORY REPORT

STANDALONE FINANCIALS

**CONSOLIDATED FINANCIALS**


**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 ₹)

Sl. No.	Particulars	Details
1.	Sl. No.	
2.	Name of the subsidiary	<b>ADOR WELDING ACADEMY PVT. LTD.</b>
3.	The date since when subsidiary was acquired	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	<b>NA</b>
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	<b>NA</b>
6.	Share capital	<b>₹ 3,00,00,000/-</b>
7.	Reserves & surplus	<b>₹ (2,00,47,001/-)</b>
8.	Total assets	<b>₹ 1,53,71,240/-</b>
9.	Total Liabilities	<b>₹ 54,18,241/-</b>
10.	Investments	<b>NIL</b>
11.	Turnover	<b>₹ 1,03,10,758/-</b>
12.	Profit before taxation	<b>₹ (27,18,265/-)</b>
13.	Provision for taxation (Deffered tax)	<b>₹ 3,64,274</b>
14.	Profit after taxation	<b>₹ (23,53,991/-)</b>
15.	Proposed Dividend	<b>NIL</b>
16.	Extent of shareholding (In percentage)	<b>100%</b>

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Not Applicable

**For and on behalf of the Board of Directors**

Aruna B.Advani  
**Executive Chairman**  
 DIN: 00029256

V.M.Bhide  
**Head - Corp.  
 Admin, Legal &  
 Company Secretary**

Girish Patkar  
**Chief Financial  
 Officer**

S.M.Bhat  
**Managing Director**  
 DIN: 05168265

**Place:** Mumbai  
**Date:** 9 May 2017

CORPORATE PROFILE

STATUTORY REPORT

STANDALONE FINANCIALS

**CONSOLIDATED FINANCIALS**