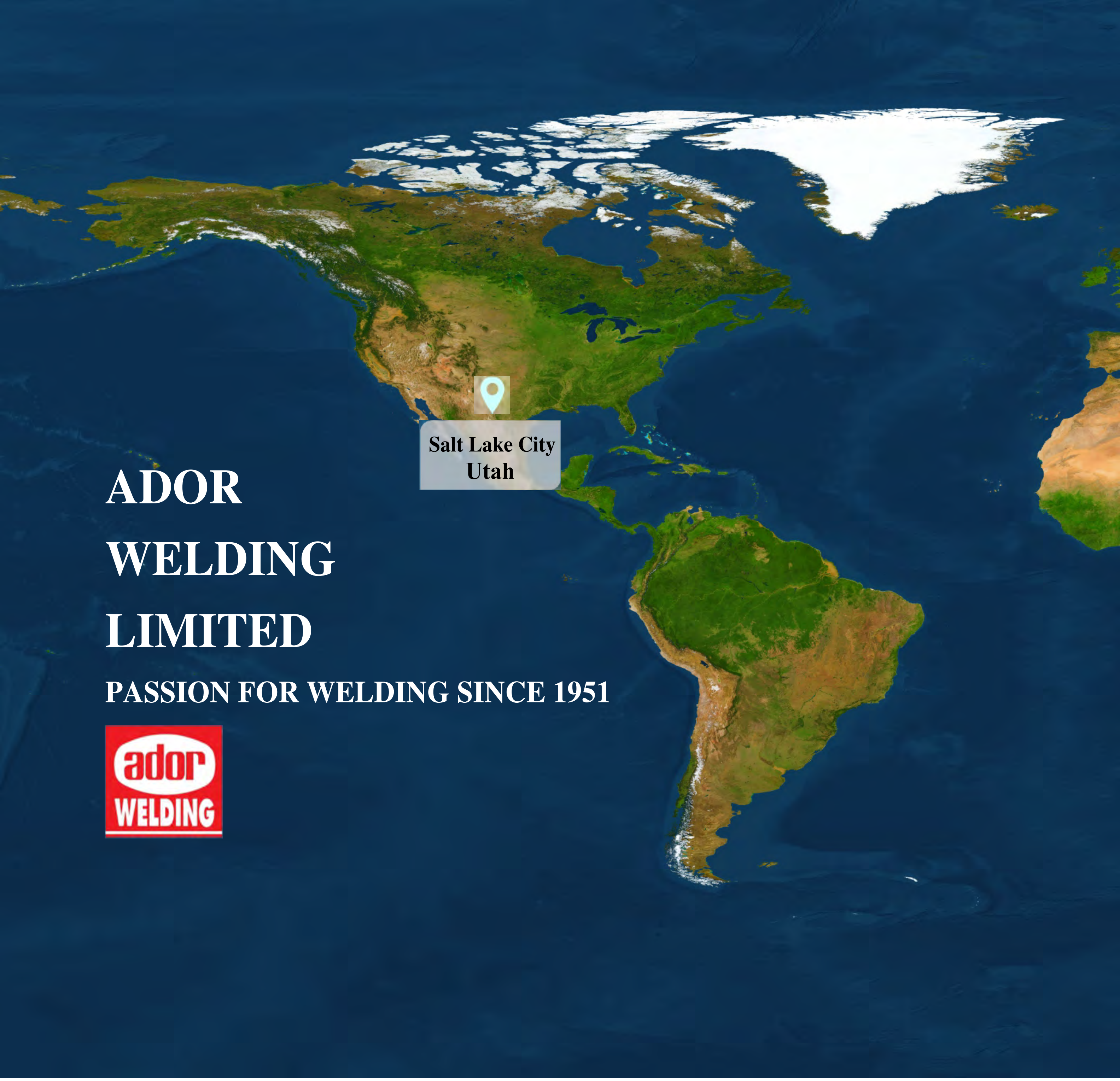
Make in India
with

ADOR WELDING LIMITED

65th Annual Report
2017-18



ADOR WELDING LIMITED

PASSION FOR WELDING SINCE 1951

REGISTERED & CORPORATE OFFICE

MUMBAI

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

CONSUMABLES

RAIPUR PLANT

Industrial Estate, Bilaspur Road,
Raipur 493 221,
Chhattisgarh, India.
Tel: +91 771 6452 201
Fax: +91 771 6542 201
E-mail: rpr.plant@adorians.com

SILVASSA PLANT

Survey No. 59 / 11 / 1,
Khanvel Road, Masat, Silvassa 396 230,
U.T. of Dadra & Nagar Haveli, India.
Tel: +91 704 6097 910 / 11 / 12
E-mail: silvassa.plant@adorians.com

GLOBAL PRESENCE

CONSUMABLES

CHENNAI PLANT

Vandalur, Kelampakkam Road
Melakottaiyur,
Chennai 600 127,
Tamil Nadu, India.
Tel: +91 44 2747 7116
E-mail: sethuramanan@adorians.com

AHMEDNAGAR PLANT

Plot B-5, MIDC Industrial Area,
Nagar Manmad Road,
Ahmednagar – 414 111
Maharashtra, India.
Tel: +91 241 777 350

EQUIPMENT & PROJECT ENGINEERING

CHINCHWAD PLANT

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

CONTENTS

To become **"Best in Class"** Enterprise with a turnover of over INR 600 Cr by FY 2020 - 21

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

To achieve high level of coustomer satisfaction by providing innovative, Reliable and Quality Products & Services in a Prompt, Safe and Cost-effective manner

DISCLAIMER:

This document contains statements about expected future events and financials of Ador Welding Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion & Analysis Report of Ador Welding Limited's 65th Annual Report for FY 2017-18.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. A. B. Advani
Executive Chairman

Mr. S. M. Bhat
Managing Director

Mrs. N. Malkani Nagpal
Whole-Time Director

Mr. R. A. Mirchandani
Director

Mr. A. T. Malkani
Director

Mr. D. A. Lalvani
Director

Mr. M. K. Maheshwari
Director

Mr. P. K. Gupta
Director

Mr. R. N. Sapru
Director

Mr. K. Digvijay Singh
Director

Mr. G. M. Lalwani
Director

Mr. S. G. Mirchandani
Director

EXECUTIVE MANAGEMENT TEAM

Mr. S. M. Bhat
Mr. G. A. Patkar
Mr. S. S. Bhoi
Mr. V. M. Bhide
Mr. A. R. Vilekar
Mr. M. M. Pandey
Mr. R. Nath
Mr. V. Bansal
Mr. S. Ajay Kumar
Mr. S. K. Palit
Mr. R.Choudhury

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
E-mail: investorservices@adorians.com,
cmo@adorians.com

CORPORATE IDENTIFICATION NUMBER

L70100MH1951PLC008647

REGISTRAR & SHARE TRANSFER AGENT (RTA)

Sharex Dynamic (I) 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
Fax: +91 22 2851 2885
Web: www.sharexindia.com
E-mail: sharexindia@vsnl.com

COMPANY SECRETARY

Mr. V. M. Bhide

STATUTORY AUDITORS

Walker Chandiok & Co. LLP,
Chartered Accountants
Mumbai

COST AUDITORS

Kishore Bhatia & Associates
Cost Accountants
Mumbai

SECRETARIAL AUDITORS

N. L. Bhatia & Associates
Company Secretaries
Mumbai

INTERNAL AUDITORS

Kirtane & Pandit LLP,
Chartered Accountants
Pune

SOLICITORS

Nanu Hormasjee & Co.,
Mumbai

BANKERS

HDFC Bank
IDFC Bank
Bank of Baroda
Kotak Mahindra Bank

BOARD OF DIRECTORS

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

MS. ARUNA B. ADVANI
Executive Chairman

- A Science Graduate (Hons) from University of Sussex and has also done Owners Management Programme from Harvard Business School and Strategic Financial Planning from IIM, Ahmedabad
- Associated with Ador Welding Limited for over 40 years
- Associated as Chairman and Whole-time Director of Company since 1999
- Re-designated as the Executive Chairman of the Company w.e.f. 1st May, 2004
- Area of expertise - General Management and Strategic Financial Planning

MR. S. M. BHAT
Managing Director

- A Bachelor in Production Engineering from VJTI of 1983 batch, he has done his post-graduation in International Marketing and Finance from International Management Institute (IMI) New Delhi, which is affiliated with Institute of Management Development (IMD), Geneva.
- Participated in "Kellogg's Global advance Management program" organized by ISB and Kellogg's school of Management, Chicago.
- Nominated for Indirect Taxation Committee of Association of India Automobile Manufacturers (AIAM), Bombay Chamber of Commerce & Industry (BCCI) while working with M&M.
- Associated with M/s. Mahindra & Mahindra (M&M) from1983 to 2006 and M/s. Schuler India Pvt. Ltd. from October 2006 to 2008
- Currently also holding honorary post of Secretary to Association of Welding Products Manufacturers (AWPM) which promotes safety practices within user industry and Skill development for the Industry
- Core team member of CII on welding Industry
- Recently awarded "CEO with HR Orientation" award by Global HR Excellence Award for the year 2018.

MRS. N. MALKANI NAGPAL
Whole–Time Director

- MBA, with specialisation in Finance from Imperial College, UK; attained B.Sc. in Business & Economics from Lehigh University, PA, USA
- Formerly associated with Alliance Capital Asset Management in New York
- Over 23 years of experience in Financial Management of Ador Welding Limited and Ador Group of Companies
- Presently heads Ador Group's parent Company, M/s. J. B. Advani & Co. Private Limited and is actively involved in new e-business initiatives of the group

MR. R. A. MIRCHANDANI
Director
(Non-Executive)

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

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

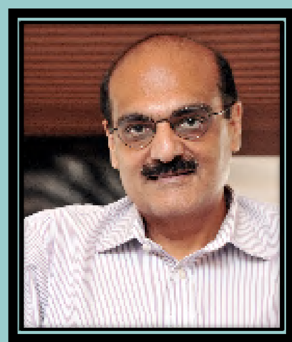
MR. A. T. MALKANI
Director
(Non-Executive)

MR. D. A. LALVANI
Director
(Non-Executive)

- A Commerce Graduate with distinction in Marketing & Advertising and Masters in commerce with specialisation in Accounting; pursued MBA from Manchester Business School, UK and did courses at London School of Economics, UK
- Formerly associated with Langham Capital, London, DHL, Europe and various NGOs
- 13 years hands on experience across reputed national and international firms
- Involved across various functions within Ador Group including strategising at Ador Welding Academy, New business ideas and e-commerce initiatives at the group

- Chairman of a large privately held Non- Banking Financial Company - MIPL – as well as an active Angel Investor and Venture Capitalist
- Graduate from the Bombay University with a major in Chemistry and a post graduation in Industrial Management
- Work experience encompasses project management, production, marketing, financial and general management in medium and large companies
- Serves on the board of directors of a number of public and private companies as an independent non-executive director bringing a judicious mix of entrepreneurial and professional skills to these various Boards
- Director of Metro Shoes Limited, Mahindra CIE Limited, RPG Lifesciences Limited

MR. M. K. MAHESHWARI
Director
(Non-Executive & Independent)



MR. P. K. GUPTA
Director
(Non-Executive & Independent)

- An Arts & Law Graduate from University of Delhi; pursued Masters Degree in Law from Harvard Law School, USA
- Possesses expertise in Intellectual Property, Joint Ventures, Corporate Governance among others
- Currently, CEO of Yumchek, an internet start-up, with the purpose to #MakeEachMealCount
- Formerly associated with various companies like UnitedLex (legal BPO) as SVP Legal Services, with UTStarcom (a telecom and internet equipment company) as Assistant General Counsel, and with O'Melveny & Meyers LLP (an international law firm) as Counsel in Washington DC

MR. R. N. SAPRU
Director
(Non-Executive & Independent)

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

MR. K. DIGVIJAY SINGH
Director
(Non-Executive & Independent)

- BA (Hons) Economics from St Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur
- 39 years of operating and/or advisory experience in FMCG, Television Networks, Newspapers, Sports Marketing, and Technology companies
- Has held operating responsibilities for India and International markets (UK & Europe, USA, Africa, GCC, Asia, Australasia)
- Has lived in and worked from postings in India, Nigeria, UK, and Singapore. Currently travels regularly between India and Singapore
- Worked with Unilever India for 10 years in FMCG sales and marketing, and at Afcott Nigeria, and at Kanmoor Foods India, before transitioning to media and technology businesses
- Worked in the media industry as Executive President of Zee TV (1992-95), CEO of Zee TV International (1996-97), Group CEO Indian Express Newspapers (1998-2000), CEO Internet Company of India (2000- 01), CEO Nimbus Sport (2002-07) and CEO Nimbus Communications (2008-09)
- Director at Nimbus Sport (2009-12); Advisory Board at Euromax (2007-14); non-executive independent Director at Mercury Travels Ltd (2014-till date)
- Member of Board of Governors of Spirit of Enterprise, Singapore (2017 to date)
- Served as an independent non-executive Director on the Board of Thomas Cook India Ltd. (1999- 2006) and Ador Welding Ltd. (2009-till date)

- Over 16 years of brand building experience across a wide range of categories ranging from travel and tourism, automobiles, financial services, consulting, telecom, electronics to finally, FMCGs.
- Has been featured in Campaign Asia's 40 under 40 for 2017 - a list that features the most innovative marketeers from Asia
- Based in Singapore and works with J. Walter Thompson, one of the world's leading communications agencies.
- Heads up the Singapore office and is APAC business director for Johnson and Johnson.
- Also is a co-founder of a tech start-up based in Singapore called Beauty Button
- Launched and built global/regional/local brands across Japan, China, Korea, Philippines, India, Thailand, Singapore and Indonesia.
- Believes big ideas can change the fortunes of brands and realizes that in today's digital world, big ideas need great content to thrive.

MR. GAURAV M. LALWANI
Director
(Non-Executive & Independent)

MR. SASHA G. MIRCHADANI
Director
(Non-Executive & Independent)

- Completed Business Administration from Strayer University and MMDP program at IIM, Ahmedabad
- Managing Director and Founder of Kae Capital and Co-Founder of Mumbai Angels
- Former ventures include the following: Managing Director at Blue Run Ventures, CEO and Founder of Imercius Technologies, Head - Corporate Affairs and New Business at MIRC Electronics
- His investments include Fractal Analytics, Inmobi, Healthkart, Myntra, Cloudbyte, Hello English, Porter and 1MG
- He sits on the Boards of Hathway Cable and Datacom Limited, Nazara Technologies Limited, Mumbai Angels Venture Mentors and Healthkart amongst others.
- Past President of Entrepreneurs Organisation (EO) Mumbai; Chapter Member at TiE Mumbai and a Member of the Mumbai Chapter of the Young Presidents Organisation (YPO)

MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

It gives me immense pleasure to report that the Company has performed well, again in FY 2017-18, especially in welding business, which is good news. The Company's total net operating revenue of Rs. 458 Crore is the highest in the history of the Company.

Our mantra for growth continues to be "customer focus" & "move fast, break barriers". Culture of Innovation is now a part of our DNA and is imbibed at all levels across the Company. This enables us to offer customized solutions which ultimately result into "higher customer satisfaction index". During FY 2017-18, we launched new products in welding and cutting segment & also in WAPS and Project Engineering Business to meet with customer requirements.

FY 2017-18 PERFORMANCE

During FY 2017-18, our net operating revenue grew by around 4% with EBITDA and PAT margins of around 9.5% and around 4% respectively. The good news is our EBITDA has gone up by around Rs. 4.2 Crore in FY 2017- 18 compared to FY 2016-17. We delivered higher volumes in consumables and equipment which further strengthened our industrial leadership. Automation business performed exceptionally well owing primarily due to the launch of new products during the year. During the previous year, for the first time, we ventured into an EPC project outside India, in Kuwait, related to Oil & Gas industry, which will be completed by August 2018.

RESEARCH & DEVELOPMENT

Our DSIR approved R&D Centre works closely with customers' to deliver custom made solutions. This makes us invulnerable to competition and aids in improving customer relations. We will be offering 3 (three) years warranty on our select range of equipment during the year. This speaks volume of our ability to offer indigenously developed products and solutions of consistent & reliable quality to our customers. Our consumable R&D setup has received NABL accreditation. This will benefit self-certification in product testing area and will enable us to reach new products to the market, faster. During the year, we developed products with greater performance / productivity in automobile, infrastructure and other relevant industries. These initiatives have enhanced our market share in varied segments.

ADOR WELDING ACADEMY

Ador Welding Academy is known for its skill development service to the Nation through Welding over the last few years. This year, we have trained 529 people on various welding practices mostly from Below Poverty Line (BPL) / Under Privileged youth and offered them employment opportunities. Many small and medium companies including few individuals participated with us in this mission by supporting Academy with their CSR contribution. The academy is envisioned to be an independent talent hub under the guidance of seasoned Adorians. We, further, have a vision to make the Academy financially independent and a sustainable model for service.

ADOR VISION

We continue to aim to become "best-in-class" enterprise known for continuous innovation in products & solutions with significant growth by FY 2019-20, notwithstanding the economic or market scenario. We will focus on sustaining the initiatives taken over the past few years, in addition to the following:

- We firmly believe "Happy Adorian can create Happy Customer"
- Capitalize on our customer relations, as well as on technical and manufacturing capabilities
- Build Synergies with our current capabilities and resources in order to offer new products across domestic and export markets
- Create value through forward as well as backward integration
- Imbibe innovation culture & implement advance lean manufacturing process to maximize efficiency and offer zero Defect with zero effect on environment and zero wastage
- We continuously explore learning and growth opportunities for Adorians, empower them so that "best-in-class" service and quality products are offered to customers.
- Emphasize on the brand "Ador Welding" assurance.
- Strengthen IT for implementing digitization across processes and systems

"Culture of Innovation is now a part of our DNA and is imbibed at all levels across the Company"

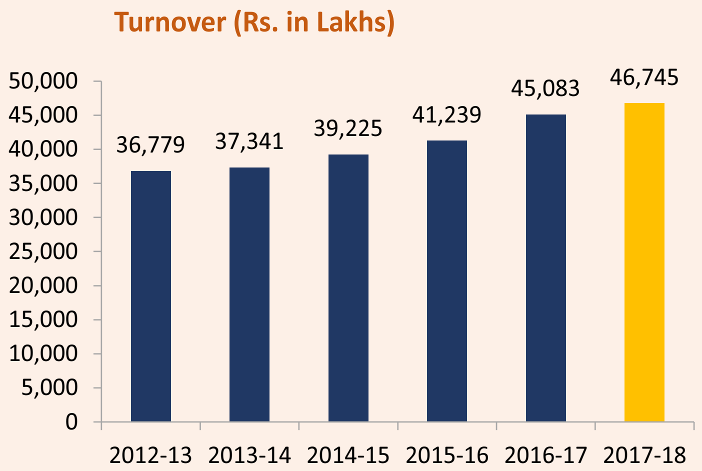
CLOSING THOUGHTS

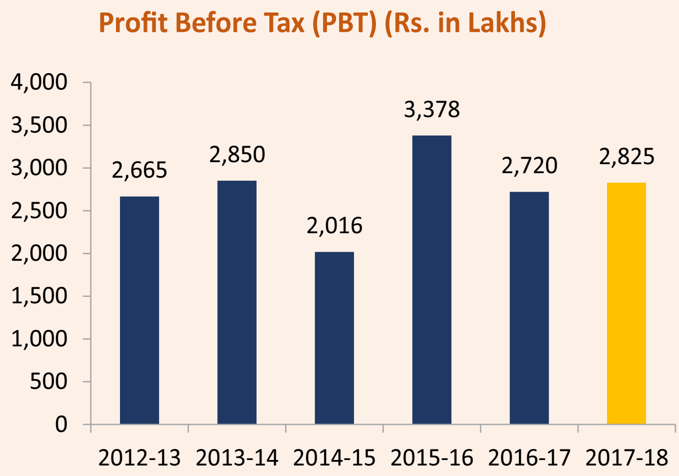
Enhanced levels of Corporate Governance and ethical standards have been maintained across our organization. We have ensured a safe, healthy and secured working environment for our esteemed employees and have imbibed this culture through regular trainings & interventions. Our strive towards Corporate Social Responsibility (CSR) endures in the sectors of providing education, vocational training, drinking and clean water facilities, hygiene and development of the society at large, mostly around our factory premises. I express my sincere gratitude towards our valued customers & comprehensive vendors for their constant trust in us, as this continues to be the primary cornerstone of our operations. Our diversified expertise, products and, in particular, services are the wheel, whose characteristics we will keep improving in the direction indicated by our customers. I truly appreciate our Board of Directors and the Management Team for their persistent direction and commitment. Lastly, I express thanks and applaud all our talented 'Adorians' for contributing enormously to the organizational progress and attaining success , every year , in transforming the Company's vision into reality. We look forward to your endless support and anticipate your vital involvement in the Company's journey towards achieving its long term objectives.

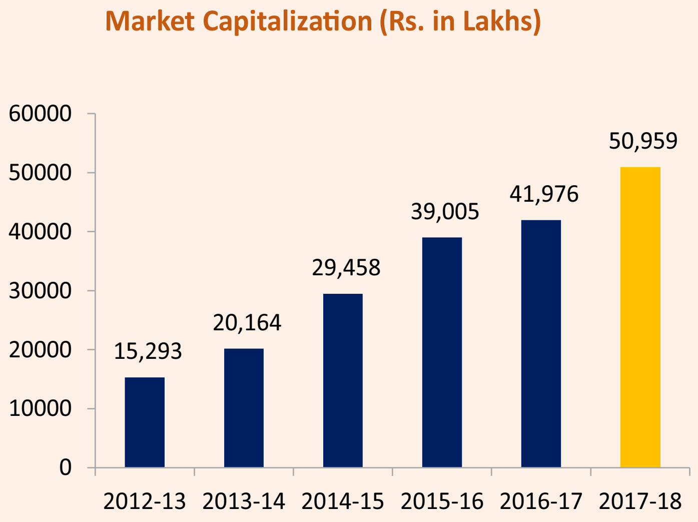
Best Wishes,

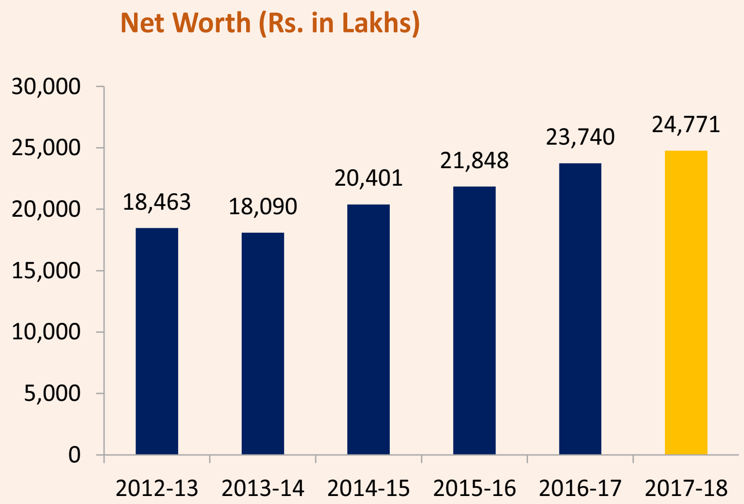
Satish M. Bhat
Managing Director

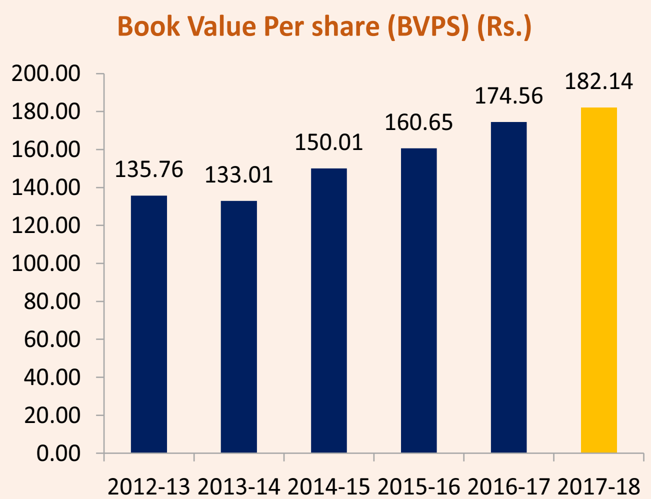
Five Year Financial Performance (Standalone)

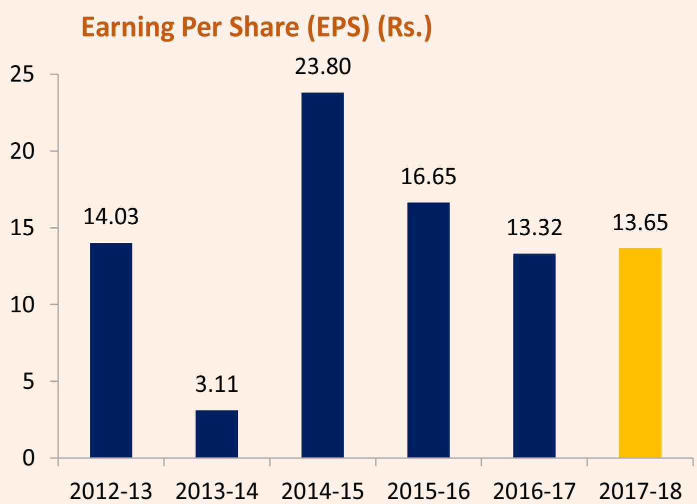












Five Year Financial Highlights (Standalone)

(Rupees in lakhs)

	FY 2017-18	FY 2016-17$	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
PROFIT & LOSS ACCOUNT						
Sales & Other Income (net of excise duty)	46,745	45,083	41,239	39,225	37,341	36,779
Manufacturing & Other Expenses	42,382	41,137	36,609	35,928	33,146	32,799
Operating Profit / EBITDA	4,363	3,946	4,630	3,297	4,195	3,980
Depreciation	1,008	1,122	1,166	1,243	1,203	1,234
EBIT	3,355	2,824	3,464	2,054	2,992	2,746
Interest	530	104	86	38	142	81
Profit before Tax (PBT)	2,825	2,720	3,378	2,016	2,850	2,665
Exceptional Items (Net)	-	-	(195)	2,811	(1,478)	-
Taxation	969	908	918	1,590	949	757
Profit after Tax (PAT)	1,856	1,812	2,265	3,237	423	1,908
Comprehensive Income / Loss	(7)	3	-	-	-	-
Total Comprehensive Income / (Loss)	1,849	1,815	-	-	-	-
Dividend (incl. DDT)	818*	818*	818	818	796	948

*For Proposed Dividend

	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
BALANCE SHEET						
Net Fixed Assets (incl. CWIP and Investment in properties)	10,299	10,511	10,010	9,754	7,704	8,151
Investments	597	1,418	1,215	655	1,385	3,266
Current Assets	29,117	23,121	19,872	15,636	16,056	12,994
Current Liabilities	17,208	13,269	10,896	7,170	9,137	6,823
Net Current Assets	11,909	9,852	8,976	8,466	6,919	6,171
Other Non-Current Assets	3,034	2,942	2,555	2,555	2,301	1,059
Capital Employed	25,839	24,723	22,756	21,430	18,309	18,647
Equity Share Capital	1,360	1,360	1,360	1,360	1,360	1,360
Reserves & Surplus	23,411	22,380	20,488	19,041	16,730	17,103
Net Worth	24,771	23,740	21,848	20,401	18,090	18,463
Long term loan Funds#	0	0	-	13	77	171
Deferred Tax Liabilities	806	744	715	852	50	44
Long-term provisions	240	203	172	84	92	-
Other long term liabilities	22	36	21	-	-	-
Capital Employed	25,839	24,723	22,756	21,350	18,309	18,678

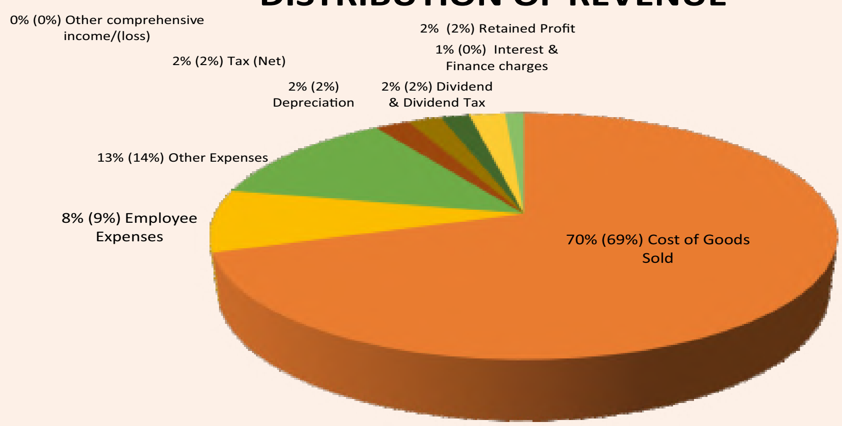
RATIOS						
EBITDA Margin (%)	9.53%	8.94%	11.38%	8.53%	11.39%	10.93%
Net Margin (%)	4.05%	4.10%	5.57%	8.37%	1.15%	5.24%
Interest Cover (EBITDA / Gross Interest)	8	38	54	87	30	49
ROCE (EBIT / Capital Employed) (%)	12.98%	11.42%	15.22%	9.58%	16.34%	14.72%
Current Ratio (times)	1.69	1.74	1.82	2.18	1.76	1.90
Debt Equity Ratio (times)	0.00	0.00	0.00	0.00	0.00	0.01
Dividend Per Share (DPS) (Rs.)	5.00*	5.00*	5.00	5.00	5.00	6.00
Earning Per Share (EPS) (Rs.)	13.65	13.32	16.65	23.80	3.11	14.03
Book Value per share (Rs.)	182.14	174.56	160.65	150.01	133.01	135.76

* Proposed Dividend Per Share

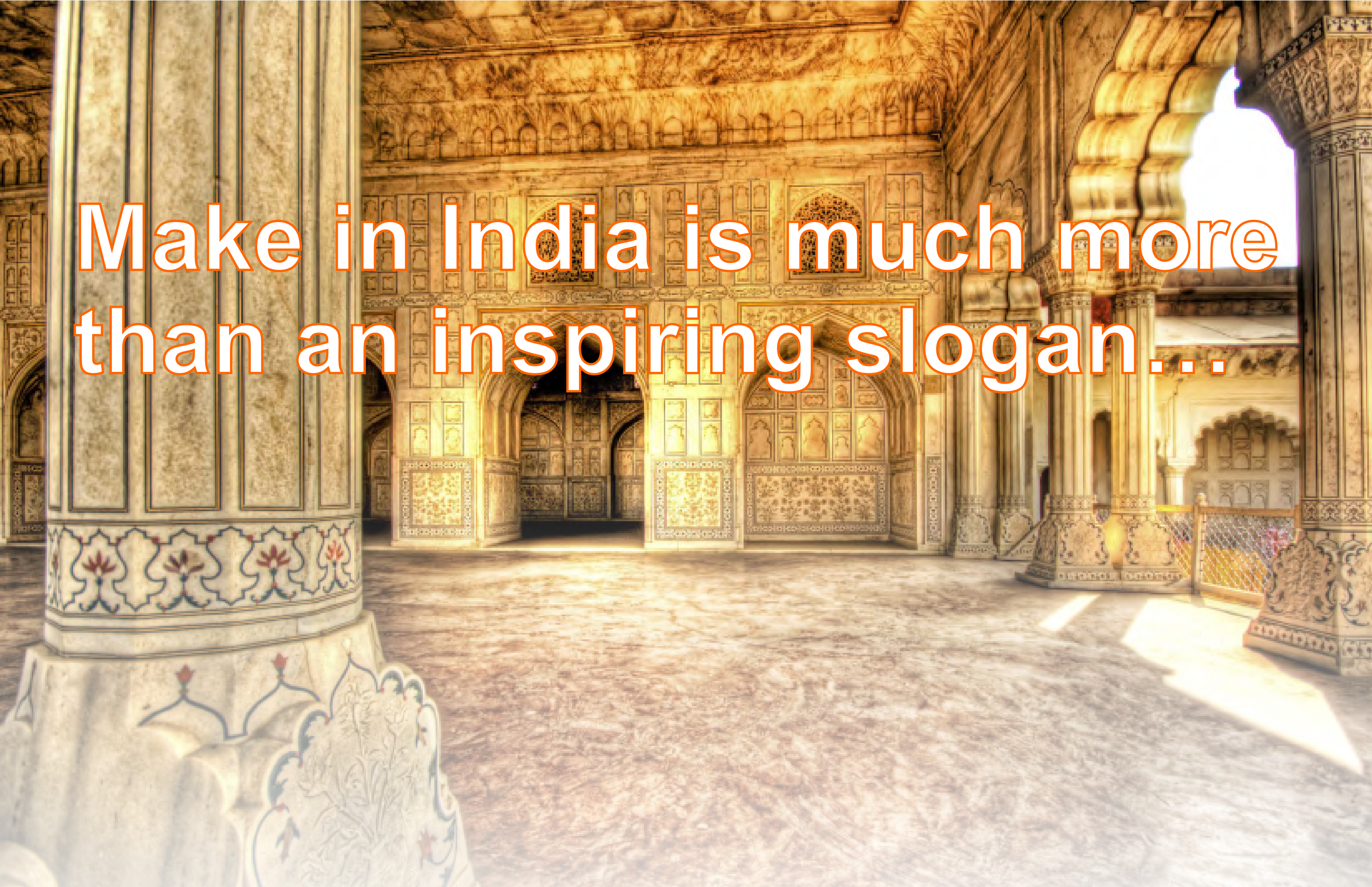
Amounts below Rs. 0.49 Lac have been rounded off, as per norms of the Company

$ Revised

DISTRIBUTION OF REVENUE*



*Net of Excise



Make in India is much more than an inspiring slogan...

MAKE IN INDIA CAMPAIGN

Make in India is the government's flagship, launched on September 25, 2014, intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy. It also has an intention of reviving manufacturing businesses and emphasizing key sectors in India thereby creating ease of doing business. It is devised to transform India into a global design and manufacturing hub. It represents a comprehensive and unprecedented overhaul of outdated processes and policies.

With Asian Continent developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Make in India is the Indian government's effort to harness this demand and boost the Indian economy. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

MAKE IN INDIA VISION

The aim of this campaign is to grow the contribution of manufacturing sector as seen in other developing nations. In the process, the Government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. Government considered overall development of the nation an article of faith rather than a political agenda. A robust foundation is laid down for the vision of a technology-savvy Digital India as complementary to Make in India.

SECTORS IN FOCUS

For the Make in India campaign, the Government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. The sectors include: automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defence manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, biotechnology, space, thermal power, roads & highways and electronics systems.

PROGRESS

In a short space of time, the obsolete and obstructive frameworks of the past have been dismantled and replaced with a transparent and user-friendly system that is helping drive investment, foster innovation, develop skills, protect Intellectual Property (IP) and build best-in-class manufacturing infrastructure.

The 'Make in India' programme is very important for the economic growth of India as it aims at utilising the existing Indian talent base, creating additional employment opportunities and empowering secondary and tertiary sector. The Government articulates that we have the skill, talent, discipline and the desire to do something and it wants to give the world an opportunity to make in India. The programme also aims at improving India's rank on the Ease of Doing Business index by eliminating the unnecessary laws & regulations, making bureaucratic processes easier, making the government more transparent, responsive and accountable.

Making in India with Ador since...

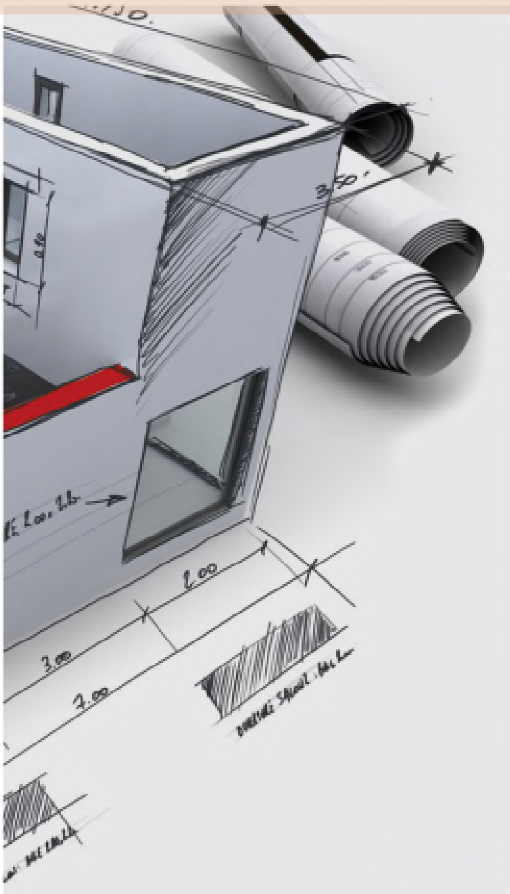
1950's

On 22nd October 1951 Ador Welding Limited took birth as "J. B. Advani Oerlikon Electrodes Pvt. Ltd." under the provisions of the erstwhile Indian Companies Act VII of 1913, for electrode manufacturing in India, at a time when welding was little known as an industry.

The Company foresaw the need to offer a complete solution in welding well in advance, which subsequently led to several developments in welding consumables, welding power sources and accessories.

JV was also signed between J. B. Advani Oerlikon Electrodes Pvt. Ltd. & and European Holding Company Intercito Ltd., Switzerland.

ADVANI-OERLIKON



1952

The first electrode plant at Bhandup, Mumbai commenced production.

1955

Welding school established at Parel, Mumbai.

1960's

Started exporting products to Middle East, African and South East Asian Countries in the year 1967.

Name changed from J. B. Advani Oerlikon Electrodes Pvt. Ltd. to Advani - Oerlikon Pvt. Ltd. (AOL) in the year 1968.

1962-63

The second electrode plant at Raipur & welding equipment plant at Chinchwad, Pune commenced production.

1965-67

The Technical Development Centre (TDC / R&D) was setup at Bhandup, Mumbai and the third electrode plant commenced production at Chennai.

1970's

AOL got equipped with four manufacturing plants, all across the country, located at Raipur, Chennai, Chinchwad (Pune) & Bhandup (Mumbai), for production of welding consumables & equipments, power sources, welding automation systems and cutting products.

The production activities of all these plants were controlled / co-coordinated from the Corporate Marketing Office (CMO) and International Business Division (IBD), located at Mumbai.

1971

The Company was recognised as an Export House.

1975

Name changed to Advani - Oerlikon Limited from Advani - Oerlikon Pvt. Ltd.

1976

Silver Jubilee Year celebrated by the Company.

1977

The Company diversified into Industrial Electronics & Power Control Business Equipments & Semiconductor components.

Also commenced DC Motor production in Rotary Machines Division & Thyristorised DC Drives in Electronics Division, at Chinchwad, Pune.

1979

The fourth welding consumables plant commenced production at Ahmednagar.

1980's

In the year 1986, the Company entered into a collaboration with Oerlikon Buhrle Ltd., Switzerland for technology upgradation of welding consumables.

In the year 1989, the market received the latest consumables developed through the collaboration.

ADVANI-OERLIKON

1982

Higher Secondary School at Birgaon, Raipur in erstwhile Madhya Pradesh (now Chattisgarh) was setup by the Company.

1983

Introduced Thyristorised welding rectifiers in the Company's product range.

1986

Company went Public.

The Company entered into a collaboration with Oerlikon Buhrle Ltd., Switzerland for technology upgradation of welding consumables.

1989

In the year 1989, the market received the latest consumables developed through the collaboration with Oerlikon.

Project Engineering Business (PEB) was established primarily for manufacturing Flare Systems, with collaboration from Italy, under a company named Ador Samia Ltd. For Pre & Post Heat Treatment Technology (Furnace), collaboration with a UK based Company was also entered into under a Company named Ador Cooperheat Ltd. These 2 Companies were later merged into erstwhile Advani Oerlikon Ltd., as it's PEB Division.

1990's

The Company modernised its fabrication shop, Machine shop, Tool room, Winding shop and other facilities such as installation of CNC Machines like Turret Punch Press, Vertical Turret Lathe, Turning Center, Jig Boring Machine, Coil Winding Machine etc.

The Company started designing, developing and producing a wide range of new generation Inverter based SMAW / TIG / PULSE-TIG / AD-DC-TIG / GMAW / SAW and Multi Process welding equipments.

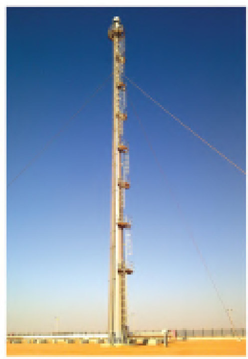
ADVANI-OERLIKON

1992

The fifth welding consumables plant commenced production at Bangalore.

1994

The Company enlisted as LSTK contractor for Flare systems.



1995

The Company received ISO 9001 certification for all its plants.

1996

The Company issued Bonus Shares @ 1:2, i.e. One Bonus Share for every Two shares held.

1999

The Company introduced a range of inverter based welding rectifiers of 150 Amp, 220 Amp & 350 Amp current capacities.

2000's

The R & D Centers were modernised & technology development team strengthened to,

1) Develop latest technology, new generation digitally controlled inverter based welding & cutting equipments.

2) Update the existing product range and develop new ones for customised applications.

2001

Golden Jubilee Year celebrated at AOL. Launched 150 Amp & 220 Amp inverter technology based TIG equipments.

2003

Name changed from Advani-Oerlikon Ltd. to Ador Welding Limited.

2004

The sixth welding consumables plant commenced production at Silvassa.

The Company introduced micro-controller controlled inverter based DC-TIG machine.

2006

The Company opened its overseas office in Sharjah, UAE.

2007

The Company established Fabrication Unit for Process Equipments viz Pressure Vessels, Heat Exchangers, & Reactors.

2008

J. B. Advani & Company Pvt. Ltd. completes 100 years.

Project e-Genx w.r.t. ERP implemented.

Chinchwad, Pune plant awarded - 'U', 'R' and 'NB' certification and stamps from 'ASME' and 'National Board of Boilers and Inspectors', USA.

2010's

2010

The Company in-house R&D units (TDC - Pune for equipment and TDC - Silvassa for consumables) registered with the Department of Scientific and Industrial Research (DSIR).

2012

The Company launched its King Series of Gas Cutting, PPE & Welding Accessories Products.

2012

The Company setup its Welding Application & Technical Centre (WATC), showcasing an extended portfolio of Automation Solutions.

2013

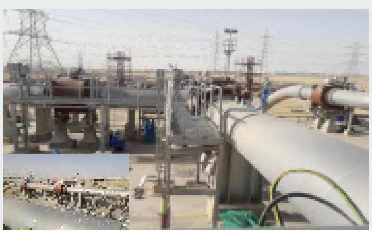
The Company launched profile cutting CNC machine.

2016

CHAMP T400 received India Design Award.

2016

Project Engineering Business Division (PEB) received it's First International EPC Order for KOC Kuwait.

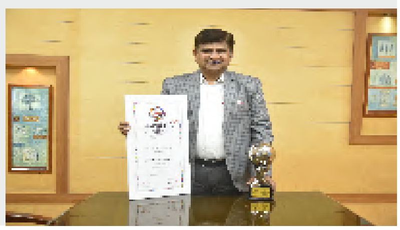


2017

Ador Welding Technology Development Centre, Pune now certified by NABL.

2018

Mr. Satish Bhat, MD, has been conferred with "CEO with HR Orientation" by World HRD Congress conducted on 15th February, 2018.



PRODUCT OFFERINGS

Welding Business

Consumables	Consumables for most of the welding processes like SMAW / MIG / MAG (Solid wire / FCW wire) / SAW / TIG / brazing for manual, semi-automatic as well as fully automatic applications, covering a very wide range of metals and alloys – C-Mn steels / Low alloy steels / Cast iron / stainless steels / Copper alloys / Nickel based alloys and Aluminium alloys.
Welding and Cutting Equipment	• Shielded Metal Arc Welding (SMAW) • Gas-shielded Metal Arc Welding / Flux Cored Arc Welding (GMAW/FCAW) • Gas-shielded Tungsten Arc Welding (GTAW) • Submerged Arc Welding (SAW) • Oxyfuel and Plasma Cutting
Gas Cutting products	• Single stage regulator • Two stage regulator • Cutting torch – nozzle mixing • Nozzles for acetylene and LPG • Portable gas cutting • machines • Hose for oxygen acetylene
Personal Protective Equipment (PPE) and Accessories (Safety Measures)	• Welding cables - Al, Cu • Electrode holder • Auto darkening helmet • Hand shield • Welding gloves • Welding clothing • Safety shoes • Welding curtains

Over 9000	**Welding equipments manufactured (standard and customised)**
Over 35,000 MT	**Estimated annual production of welding**
Over 300	**Pan India Authorised Distributors and Dealers with 12 sales offices**
Over 70	**Countries served globally through International Business Division located in Sharjah (UAE) with 24 distributors**

INDUSTRIES SERVED

Our products and solutions, for every welding & cutting process, are applicable across the following industries:

- Automotive
- Construction and infrastructure
- Defence
- Fertiliser Plants
- Hydro Electric
- Mining
- Nuclear Energy
- Oil & Gas
- Railways
- Refineries
- Pipelines
- Ship Building
- Steel Plants
- Thermal Power
- Wind Power

27 years of existence in PROJECT ENGINEERING BUSINESS

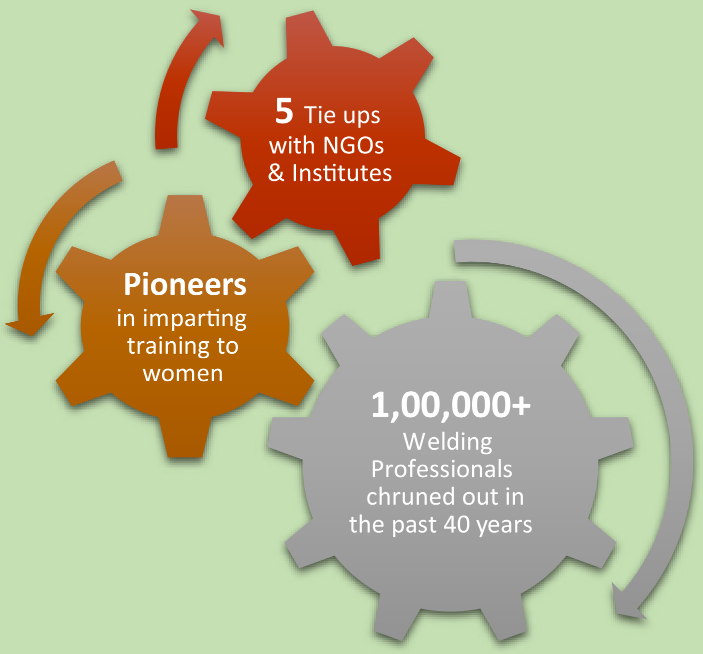
Our Project Engineering Business (PEB) is a multi-disciplined SBU that provides services like design, manufacture, erection & commissioning, mechanical, electrical and instrumentation of process packages, process equipment, flare system & components, LSTK Turnkey projects and EPC contracts. Our state-of-the-art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

BEING A RESPONSIBLE CITIZEN

Building the nation builders – ADOR WELDING ACADEMY

Ador Welding Academy Private Limited (AWAPL), is a 100% subsidiary of Ador Welding Limited, focuses on welding education and skill development. These include the following:

Pre-service Training	In-service Training	Post Graduate Programs	Consultancy & Research
To create a talent pool of welding technicians, supervisors, engineers and inspectors	To enhance skill sets and job performance at par with the industry requirements for the best manufacturing practices	To build a national level vocational institute providing degree, diploma and certificate programs	To provide consultancy for achieving world class welding practices in India Our cross section of professionals includes students of technical institutes, fabrication shop employees as well as engineering teams of various corporates These trained professionals are working across India and in several countries globally. They serve as a testimony to the quality of theory and practical training they have acquired at our academy



At AWAPL, our business sustainability is connected to the sustainable development of the societies, communities and environment in which we operate. Our CSR initiatives are long term plans that take into account people's aspirations, well being and expectations.

Our key focus areas under CSR include:

- Helping Educational Institutes impart vocational training to economically weaker section
- Pass on technological expertise in the field of welding
- Empower people to minimise unemployment through vocational training
- Sponsor / support charitable organisations and trusts that focus on:
  - Children's education
  - Sanitation
  - Healthcare, including Mental Health
  - Hygiene
  - Women empowerment
  - Drinking water
- Provide financial support / assistance during Natural Disasters

Welding & Cutting Equipment

(New Product Developments)

1) CHAMP PULSE 500:

ADOR's CHAMP PULSE 500 outfit is an indigenously developed inverter based system with advanced IGBT protection mechanism. Outfit supports different welding process modes: SMAW, GTAW, GMAW, PULSE MIG with single and double pulse mode along with preprogrammed synergic data. Front panel comes with G-LCD and digital encoder which makes it user friendly. Built in various protection features allow it to work in the harsh environment. Machine can be used for manual as well as automatic welding application. With its different welding modes, the machine is suitable for welding with different materials like MS / SS / AL / FCAW / CORTEN STEEL / Al+Mg / Al+Si / DCu. This complete system comes with Power Source, Wire Feeder, Water Cooling unit and Water Cooled MIG torch.

Some of the salient features are as below:

a) Inverter based indigenously advanced digitally controlled SMAW, GTAW, GMAW & SINGLE / TWIN PULSE MIG welding outfit.

b) Synergic mode of operation for single point control that allows Automatic parameter selection (Synergic) in MMA, TIG, MIG and Pulse MIG mode.

c) Advanced digital control algorithms enable superior arc characteristics.

d) Digital control of inverter for spatter less MIG welding application.

e) Fine Arc length control in Pulse MIG and MIG welding mode for different types of welding application.

f) Excellent arc force control in MMA mode for low current application.

g) Twin pulse mode in Pulse MIG with low heat input makes it possible to weld thin plates.

h) Digital pulse feedback of motor from wire feeding motor for accurate control of wire feeding, even at low speed.

i) With built in Water-on-Demand and VRD functionality for energy saving.

j) Advanced IGBT (VCE (sat)) fault detection mechanism for enhancing reliability of machine.

k) Power source with Graphical-LCD for displaying machine's settings along with dual 7 segments LED display for actual current and voltage display.

l) Digital Encoder and switches for setting the machine.

m) Wire Feeder with digital console for remote parameter setting.

n) Facility to store 50-100 welding programs (weld parameter) for easy save and recall operation.

o) Provision to measure the Welding Arc on Time for productivity measurement.

p) Available feature like settable pre-flow, Burn-back, post-flow & adjustment of welding voltage & wire speed / Current in MIG / Pulsed MIG welding mode.

2) CHAMPMIG 300:

It is a new generation Inverter based medium duty MIG / MAG Welding compact and light weight outfit, suitable for shop floor and fabrication application where small components are welded at high speed. Due to its higher wire speed, it is more suitable for Auto ancillaries.

Following are the salient features of this machine.

a) Three phase inverter based high efficiency and high power factor DC Welder with high frequency switching technology.

b) Suitable for both MIG and MMA welding operation.

c) User friendly digital front panel interface with 7 segment LED display and multi function encoders.

d) Anti stick function to protect the machine from short circuit condition in MMA mode.

e) Option of Remote control unit with digital display for setting wire feed speed / current and voltage remotely in MIG / MMA mode.

3) OMNIMIG 250:

This is single phase compact inverter based 250 A MIG / MAG welding machine with built in wire feeder, suitable for light duty fabrication welding. It has single point control synergic mode of operation which makes it easier for setting the welding parameters.

This machine has following salient features :

a) Low Power Consumption due to Power Factor Correction Technique that brings the Power Factor nearly equal to one.

b) Single point controlled synergic MIG welding operation.

c) 3-digit Digital Panel Meters to display the set voltage, actual voltage, set current and actual current while welding.

d) LED Indications for Mains ON and Trip signal.

e) Protections: Over-Voltage, Under -Voltage, Over-Temperature & Output Short Circuit Protection.

f) Compact Design with built-in Wirefeeder.

g) Gas Trolley for easy movement of machine on the shop floor.

4) CHAMPTIG 300SP:

This is a new generation Compact and light weight three phase inverter based synergic 300A DC TIG welding outfit, suitable for precise welding on stainless steel and other ferrous material. It is also suitable for very thin sheets upto thickness of 0.4 mm.

Following are its salient features:

a) IGBT based operating at high frequency.

b) Suitable for both DC TIG (Pulse & Normal) and MMA welding operation.

c) Available with Synergic mode in TIG for pulse / normal mode. Also suitable for scratch start in TIG mode.

d) Built in HF ignition for easy arc striking.

e) User friendly front panel interface with LCD display and Multi-functional encoder.

f) Anti-stick function to protect the machine from short circuit condition in MMA mode.

g) Option of Remote control unit with digital display, for setting current remotely in MMA and TIG mode

h) Option of Foot switch control regulator for setting current in TIG mode

5) STRIKER 400 :

Striker 400 is thyristor based heavy duty 400A MIG / MAG welding outfit. This is suitable for very harsh working environment. Apart from digital display for welding current and welding voltage, control panel is very user friendly for operator's convenience.

Following are some of the features :

a) Light weight, Compact design of Power source, Wire feeder and Torch

b) Crater Voltage and Current control possible with ON / OFF switch

c) LED Indications for Mains ON and Trip signal

d) Globule Detachment Technique keeps the tip ready without globule formation for next welding cycle

e) Protection against overheating and very high secondary short circuit current

f) Flux core or solid wire selection switch and Gas check Toggle switch on front panel

g) Special construction of transformer – resulting in faster response time and Excellent Arc dynamics

h) Digital voltage and current meters on front panel

I) Wheels for easy movement of machine on the shop floor

6) **RED 603 :**

RED 603 is high capacity transformer works on two lines of three phase supply. It is specially suitable for low hydrogen electrodes. Stepless control of welding current is achieved by modern moving core magnetic shunt design.

Following are some of the salient features of this welding transformer:

a) Stepless, smooth and infinitely variable current regulation

b) Adjustment of welding current possible even while welding is in progress

c) One (1) swivel front wheel and two (2) rear wheel arrangement for easy maneuverability

d) ON-OFF switch control, current control and current indicator provided on the front panel

e) A Special design provides for excellent dynamic characteristic and ensures smooth and optimum metal transfer - Specifically recommended for low hydrogen electrodes

7) **THREE WHEEL TRACTOR WELDING HEAD:**

This is Submerge Arc welding head with three wheel tractor introduced for flexible operation for welding head travel during welding.

Following are salient features of this welding head:

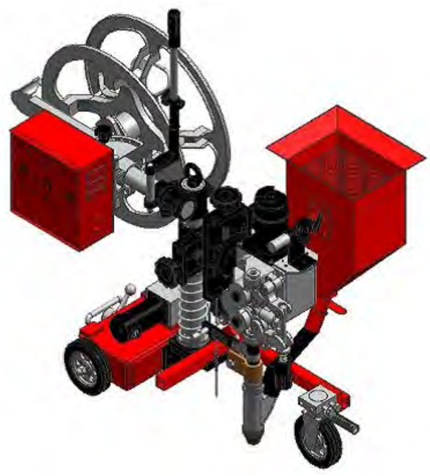
a) The Three wheel tractor is more versatile compared to the 4 wheel tractor; it shortens the welding spacing and has a wider welding range for wires from 2.0mm to 5.0 mm.

b) Besides linear welding, the three wheel tractor can turn left and right and weld around circular curve.

c) Easy and flexible regulation, integrated up and down, rotation of the tractor head with the torch.

d) Easy adjustable flux container.

e) Double driven wire feeding with straightening mechanism, stable wire feeding, good centering, strong drawing force and low dissipation power.



Project Engineering Business

(New Product Developments)

1. SEGMENTED AIR ASSISTED TIP

Features:

- ➢ It is a new Flare Tip Design, in order to over-throw / combat the drawbacks in a conventional Flare tip design in the generic Flare industry.
- ➢ SEGMENTAL AIR ASSISTED FLARE TIP is economical, reduce the after-sales service duration and cost, easy to operate, reliable & safe to operate in all weather conditions. It's optimized design resulted in enhancing life of Tip

Advantages:

- Efficient at low flow condition
- Proprietary design to maximize the mixing of waste gas & air streams and to create turbulence in the combustion zone
- Wide turn-down from purge rate to the maximum rate that can be achieved by the available pressure.
- Low radiation due to the clean flame and hence less flame emissivity.
- Smokeless combustion of higher molecular weight gases.
- Ability to combust liquid droplets carried by the flaring gas up to 600 micron.
- Long life design and performance are ensured utilizing heat resistant alloy and very thick wall of the critical parts.
- Air cooling of the flare tip, resulting in longer lifetime and lower operation and maintenance costs
- Flame holders around the periphery of the flare tip to ensure stable operation

2. TWIN PILOT FOR LOW CALORIFIC VALUE -

Features:

- Upgraded existing pilot to fit client requirement of using low calorific value gas for pilot.
- Reduce operation cost of flare system
- Alternative for FFG system
- Ignition system is feasible with HEI system for low pressure (up to 450 mm WC) and low LHV (0.9 kWh/Nm3) pilot gases
- 100% Efficiency of system with low calorific value gas

Advantages:

- HEI system can be used for low pressure system
- Running cost of plant is reduced drastically.
- This is efficient alternative to FFG system.

Welding Automation Products & Services (WAPS)

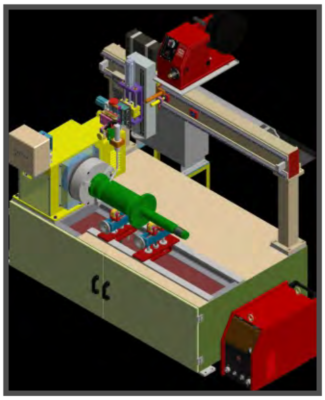
(New Product Developments)

CIRCULAR WELDING SPM FOR PIPE TO FLANGE WELDING

Application – Railway Industry

Process – MIG / MAG Welding

This machine is with sturdy base structure, Single welding head, with job resting on two idler supports. The purpose of this machine is circular welding with multiple runs. To fill the groove of 30mm thick job, oscillator has been used.



INCLINED ROTATOR CAPACITY – 8MT

Application – Pulley Welding

This machine consists of sturdy base structure, Adjustment of PU roller housing w.r.t. min and max diameter of the job by turning the lead screw. The machine has twin axis motion, one is motorized in 360 degree rotation of inclined rotator and in this base of rotator will rotate at 360 degree and second motorized rotation is of rotator in this rotator rotates the job at 360 degree. This rotator helps for carrying out the internal welding of circular ring inside the rolled big shell.

Welding Consumables

(New Product Developments)

A. SMAW Electrodes

1. **Tenalloy 15**
   AWS classification: AWS A/SFA 5.1 E7015
   - Rutile type electrode which offers high resistance to cracking.
   - Specially developed for helping Indian Welders practice for Global Welders' competition being held in China.
   - Used to weld pipes, high sulphur plates and thick plates.

2. **Supabase X Plus S**
   AWS classification: AWS A/SFA 5.1 E7018
   - Basic coated low hydrogen electrode
   - Special electrode giving excellent surface finish.
   - Gives higher deposition efficiency (Typical Value 125%)
   - Welding of Boilers, Pressure Vessels and Heavy Structures.

3. **Tenalloy Z Plus S**
   AWS classification: AWS A/SFA 5.1 E7018-1
   - Highly Basic coated low hydrogen electrode
   - Special electrode giving excellent surface finish.
   - Gives higher deposition efficiency (Typical Value 125%)
   - Welding of Storage Tanks, Bridges, Boilers, Pressure Vessels and Heavy Structures.

4. **Tenalloy 70CL**
   AWS classification: AWS A/SFA 5.5 E7018-C3L
   - Basic coated, low carbon electrode with superior crack resistance
   - Deposits Ni-Mo alloyed weld, having excellent fracture toughness at sub-zero temperature
   - For welding of 1% Ni Steels, Storage tanks for low temperature, off shore platforms, etc.

5. **Tenalloy 90D3**
   AWS classification: AWS A/SFA 5.5 E9018-D3
   - Basic coated, low alloy high tensile electrode
   - Deposits Mn-Mo alloyed weld, having excellent strength and toughness
   - For welding of low alloy high tensile plates.

6. **Cromoten G**
   AWS classification: AWS A/SFA 5.5 E8018-B2
   - Basic coated, iron powder electrode
   - Deposits 1.25Cr-0.5Mo weld, having resistance to creep upto 550°C
   - X Factor Controlled electrode
   - For welding of 1.25Cr-0.5Mo & 1Cr-0.5Mo Steels in refineries, power plants & chemical plants.

B. Strip Cladding Flux

Automelt Es1
- Electro Slag Strip Cladding Flux
- To be used with Stainless Steel strips
- Very high Basicity Index
- Used for Cladding and Overlaying applications

C. Solid MIG Wires

Automig 70S-6N
AWS classification: AWS A/SFA 5.18 ER70S-6
- Copper Free Gas Metal Arc Welding wire
- Special coating to prevent rusting.
- Gives Smooth and Stable Arc with low spatter and smoke level
- Best suited to be used for high speed robotic welding

D. Flux Cored Welding Wires

Automig 90T-5K2
AWS classification: AWS A/SFA 5.29 E90T-5K2C
- Low Alloy, High Tensile FCW wire giving Basic Slag
- Deposits weld with 1.5% Ni and 0.35% Mo, which gives high strength with excellent low temperature toughness
- Used to weld high strength steels.
- For Welding of off shore structures

DIRECTORS' REPORT

To,

The Members,

The Directors take pleasure in presenting the Sixty Fifth Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31st March, 2018.

1.0 FINANCIAL PERFORMANCE

(₹ in Lakhs)

Sr. No.	Key Financial Indicators	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017
		Standalone		Consolidated	
1.1	Sales & Other Income (Net of Excise Duty, Discounts & Incentives)	**46,745**	45,083	**46,791**	45,157
1.2	Profit before Interest, Depreciation,Tax & Other Comprehensive Income (OCI)	**4,363**	3,946	**4,359**	3,930
1.3	Profit before Tax & before OCI	**2,825**	2,720	**2,810**	2,689
1.4	Provision for Tax (including Deferred Tax)	**969**	908	**969**	904
1.5	Profit after Tax & before OCI	**1,856**	1,812	**1,841**	1,785
1.6	Profit after Tax (PAT) & after OCI	**1,849**	1,815	**1,834**	1,788

2.0 DIVIDEND AND RESERVES

2.1 The Board of Directors is pleased to recommend a Dividend of 50% (i.e. @ Rs.5/- per Equity Share) for the Financial Year (FY) 2017-18, subject to the approval of the Members. Dividend for the previous FY 2016-17 was declared @ 50% (i.e. @ Rs. 5/- per Equity Share)*.

2.2 The Dividend for FY 2017-18 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 Rs. 186 Lakhs (Rs. 187 Lakhs)* to General Reserve.
(*Figures in brackets indicate previous year)

3.0 OPERATIONS

In FY 2017-18, the total Sales and Other Income went up by 3.70%. The year ended with Sales and Other Income of Rs. 46,745 Lakhs (Rs. 45,083 Lakhs)*.

The Company's net Sales and Other Income during FY 2017-18 comprised of the following:

3.1 Welding Consumables at Rs. 30,585 Lakhs (Rs. 28,318 Lakhs)*

3.2 Equipment & Project Engineering at Rs.15,189 Lakhs (Rs.15,827 Lakhs)*

3.3 Other Income of Rs. 971 Lakhs mainly comprised of FOREX gain, interest, rent & export incentives etc. (Rs.938 Lakhs)*
(*Figures in brackets indicate previous year).

4.0 CAPEX

The Company incurred CAPEX of Rs. 1,170 Lakhs during the Financial Year 2017 - 18. The Capital work - in - progress as at 31st March, 2018 was Rs. 77 Lakhs. CAPEX planned for FY 2018 - 19 is Rs. 2,119 Lakhs, mainly for the following:–

(a) Automation / mordenisation at Consumables and Equipment Plants.

(b) Plant and Machinery for capacity expansion of certain products, and also for improvement of "productivity and in process quality" and reduction in process loss.

(c) Replacement of Old Machinery.

(d) Analytical Instruments for R&D.

(e) IT Compliances.

(f) Solar power plant.

5.0 SUBSIDIARY COMPANY

Ador Welding Academy Pvt. Ltd. (AWAPL)

AWAPL, a Wholly Owned Subsidiary of the Company, focuses on creating a pool of skilled welding technicians and professionals to serve a cross-section of industries in the infrastructure sector and also renders consulting services to corporates on setting up / improving their welding processes. AWAPL registered a total revenue of Rs. 73.72 Lakhs (Rs. 103.36 Lakhs)*, with a net loss (before exceptional items & tax) of Rs. 14.67 Lakhs (Rs. 30.82 Lakhs)*.
(*Figures in brackets indicate previous year)

6.0 CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements relate to Ador Welding Ltd. and its wholly owned subsidiary, Ador Welding Academy Pvt. 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/AWAPL-Financials-FY-2017-18-1.pdf

Hence the same are not annexed with this 65th 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, and also operational & non – operational 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

During FY 2017-18, 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 for its 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 Section 92(2) 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. 32.87 Lakhs during FY 2017-18 out of the budgeted CSR expenditure of Rs. 58.43 Lakhs, on various projects in the following areas:

- Promoting Health Care Including Preventive & Mental Health Care
- Vocational Training for poor & needy.
- Promoting education for underprivileged women.

The said CSR projects are in accordance with Schedule VII to the Companies Act, 2013. The Company considers social responsibility as an integral part of its activities and endeavors to utilize allocable CSR budget for the benefit of society. An unspent amount of Rs. 25.56 Lakhs was recorded by the Company at the end of the financial year ended 31st March, 2018, as it could not conclude appropriate propositions / projects which could have created an impact on the well being of the community, especially in the Government's initiative of "Upskilling India". The Company is, nevertheless, committed to continually explore new opportunities, in alignment with its CSR philosophy & policy, to spend the prescribed CSR amount in the subsequent years.

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 2017-18 and FY 2016-17.

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 01st April, 2017 to 31st March, 2018 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 Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, is also attached to this Report.

The **Management Discussion and Analysis Report (MDA)**, 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 2017-18, 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 The Board of Directors of the Company, at its Meeting held on 27th April, 2018, re-appointed Mrs. N. Malkani Nagpal (DIN: 00031985) as the Whole-Time Director, for a period of 3 years, w.e.f. 07th May, 2018, subject to the approval of the Members at the ensuing Annual General Meeting.

19.2 The Board of Directors of the Company, at its Meeting held on 27th April, 2018, re-appointed Mr. S. M. Bhat (DIN: 05168265) as the Managing Director, for a period of 3 years, w.e.f. 11th May, 2018, subject to the approval of the Members at the ensuing Annual General Meeting.

19.3 Mr. R. A. Mirchandani (DIN: 00175501) and Mr. D. A. Lalvani (DIN: 01771000), Directors of the Company, retire by rotation, as per the Articles of Association of the Company and are eligible for re-appointment.

19.4 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 Mrs. N. Malkani Nagpal, Mr. S. M. Bhat, Mr. R. A. Mirchandani, & Mr. D. A. Lalvani.

19.5 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 and 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 profits 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 2017-18 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 62nd Annual General Meeting held on 30th July, 2015, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (FRN: 001076N / N500013) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting, to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors need to be placed for ratification at every subsequent Annual General Meeting since their first appointment. However, pursuant to the notification dated 07th May, 2018 of the Companies (Amendment) Act, 2017, the said appointment is not required to be ratified every year so long as the Auditors are eligible & qualified to be appointed. In this regard, the Company has received a communication from the Auditors to the effect that their appointment is 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 2017 - 18. 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 2017-18.

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 submitting Cost Audit Report for FY 2016-17 by the Cost Auditor with the Company: Within 180 days from the end of the financial year (by 30th September, 2017).

27.6 Actual Date of filing of Cost Audit Report for FY 2016-17 with the Central Government: 06th September, 2017

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for FY 2018-19 also. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2018-19, 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. 7 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

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 has a Committee to look into the Complaints, if received. During FY 2017-18, the Company carried out various awareness programs on this subject. No complaints were received by the Committee during FY 2017-18.

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 on roll manpower strength of the Company as at the date of this Report is 548.

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 2017-18. 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: 30th May, 2018

ANNEXURE I - TO THE DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN as on the Financial Year ended 31st March, 2018
[Pursuant to Section 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	22nd October, 1951
3	Name of the Company	Ador Welding Limited
4	Category / Sub-Category of the Company	Public Company
5	Address of the Registered Office and contact details	Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, India Tel: +91 22 6623 9300 / 2284 2525 Fax: +91 22 2287 3083 Web: www.adorwelding.com Email ID: investorservices@adorians.com
6	Whether Listed Company (Yes / No)	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent (RTA), 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 Email: 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	67%
	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	33%

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 Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the financial year (01.04.2017)				No. of Shares held at the end of the financial year (31.03.2018)				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
	(1) Indian									
	a) Individual / HUF	8,59,446	0	8,59,446	6.32	8,59,506	0	8,59,506	6.32	0.00
	b) Central Govt	0	0	0	0	0.00	0	0	0	0.00
	c) State Govt(s)	0	0	0	0	0.00	0	0	0	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	0	0	0	0	0.00
	f) Any Other	0	0	0	0	0	0	0	0	0.00
	Sub-total (A)(1)	**76,59,977**	**0**	**76,59,977**	**56.33**	**76,60,037**	**0**	**76,60,037**	**56.33**	**0.00**
	(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	0.00	0	0	0.00	0.00
	c) Bodies Corps.	0	0	0	0	0.00	0	0	0.00	0.00
	d) Banks / FIs	0	0	0	0	0	0	0	0	0.00
	e) Any Other	0	0	0	0	0	0	0	0	0.00
	Sub-total (A)(2)	**49,050**	**0**	**49,050**	**0.36**	**49,050**	**0**	**49,050**	**0.36**	**0.00**
	Total shareholding of Promoters (A) = (A)(1)+(A)(2)	**77,09,027**	**0**	**77,09,027**	**56.69**	**77,09,087**	**0**	**77,09,087**	**56.69**	**0.00**
B.	**Public Shareholding**									
	(1) Institutions									
	a) Mutual Funds	22,44,213	4,600	22,48,813	16.54	21,32,380	1,100	21,33,480	15.69	-0.85
	b) Banks / FIs	3,810	300	4,110	0.03	5,515	250	5,765	0.04	0.01
	c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	d) State Govt(s)	1,057	0	1,057	0.01	1,75,785	0	1,75,785	1.29	1.29
	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	0	0	0.00	0.00
	g) FIIs	0	3,925	3,925	0.03	0	0	0	0	-0.03
	h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1)	**22,49,080**	**8,835**	**22,57,915**	**16.61**	**23,13,680**	**1,350**	**23,15,030**	**17.02**	**0.42**
	(2) Non-Institutions									
	(a)Bodies Corporate									
	i) Indian	2,29,303	3,505	2,32,808	1.71	3,72,261	2,985	3,75,246	2.76	1.05
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
	(b)Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	18,87,446	4,25,761	23,13,207	17.01	19,88,953	3,47,037	23,35,990	17.18	0.17
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	5,37,798	1,16,640	6,54,438	4.81	4,44,502	1,16,640	5,61,142	4.13	-0.69

	(c) Others (Specify)									
	i) Clearing Members	41,843	0	41,843	0.31	33,390	0	33,390	0.25	-0.06
	ii) OCBs	0	300	300	0.00	100	0	100	0.00	0.00
	iii) NRIs	1,56,546	2,32,383	3,88,929	2.86	1,45,519	1,22,963	2,68,482	1.97	-0.89
	Sub-total (B)(2)	**28,52,936**	**7,78,589**	**36,31,525**	**26.70**	**29,84,725**	**5,89,625**	**35,74,350**	**26.29**	**-0.42**
	Total Public Shareholding (B)=(B)(1) + (B)(2)	**51,02,016**	**7,87,424**	**58,89,440**	**43.31**	**52,98,405**	**5,90,975**	**58,89,380**	**43.31**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0.00**
	Grand Total (A+B+C)	**1,28,11,043**	**7,87,424**	**1,35,98,467**	**100.00**	**1,30,07,492**	**5,90,975**	**1,35,98,467**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the financial year (01.04.2017)			Shareholding at the end of the financial year (31.03.2018)			% change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	J. B. Advani & Co. Pvt. Ltd.	68,00,531	50.01	0.00	68,00,531	50.01	0.00	0.00
2.	A. B. Advani	2,95,480	2.17	0.00	2,95,480	2.17	0.00	0.00
3.	A. T. Malkani	1,03,626	0.76	0.00	1,03,626	0.76	0.00	0.00
4.	A. T. Mirchandani	64,430	0.47	0.00	64,430	0.47	0.00	0.00
5.	G. H. Malkani	56,400	0.41	0.00	56,400	0.41	0.00	0.00
6.	N. Malkani Nagpal	57,352	0.42	0.00	81,052	0.60	0.00	0.17
7.	M. G. Malkani	55,500	0.41	0.00	79,200	0.58	0.00	0.17
8.	G. G. Malkani	55,500	0.41	0.00	55,500	0.41	0.00	0.00
9.	R. T. Malkani	56,171	0.41	0.00	56,171	0.41	0.00	0.00
10.	P. D. Lambert	49,050	0.36	0.00	49,050	0.36	0.00	0.00
11.	G. H. Malkani (HUF)	47,400	0.35	0.00	0	0.00	0.00	-0.35
12.	D. A. Lalvani	21,642	0.16	0.00	21,702	0.16	0.00	0.00
13.	V. A. Lalvani	19,190	0.14	0.00	19,190	0.14	0.00	0.00
14.	S. A. Malkani	14,173	0.10	0.00	14,173	0.10	0.00	0.00
15.	R. A. Mirchandani	8,002	0.06	0.00	8,002	0.06	0.00	0.00
16.	R. A. Lalvani	3,680	0.03	0.00	3,680	0.03	0.00	0.00
17.	P. K. Mathur	900	0.00	0.00	900	0.00	0.00	0.00

iii) Change in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the financial year (01.04.2017)		Date	Reason	Increase / (Decrease) in Shareholding		Cumulative Shareholding during the financial year 2017-18	
		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	21,642	0.16	16.02.2018	Purchase of Shares	50	0.00	21,692	0.16
				23.03.2018	Purchase of Shares	10	0.00	21,702	0.16
2.	N. Malkani Nagpal	57,352	0.42	24.11.2017	Dissolution of HUF	23,700	0.00	81,052	0.60
3.	Michelle Gulu Malkani	55,500	0.41	24.11.2017	Dissolution of HUF	23,700	0.00	79,200	0.58
4.	Gulu Hiranand Malkani (HUF)	47,400	0.35	24.11.2017	Dissolution of HUF	(47,400)	(0.35)	0	0.00

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

Sr. No.	Shareholder's Name (for each of the top 10 shareholders)	Shareholding at the beginning of the financial year (01.04.2017)		Cumulative Shareholding during the financial year 2017-18	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Reliance Capital Trustee Co Ltd.	11,67,129	8.58	9,14,424	6.72
2.	Sundaram Alternative Opportunities Fund - Nano Cap Series I	21,423	0.16	3,11,100	2.29
3.	Tata Trustee Co. Ltd. A/C Tata Mutual Fund - Tata Infrastructure Fund	2,44,549	1.80	1,80,000	1.32
4.	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	0	0.00	1,74,885	1.29
5.	Court Receiver, High Court, Mumbai	1,16,640	0.86	1,16,640	0.86
6.	Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series I	41,334	0.30	1,09,488	0.81
7.	Sundaram Alternative Opportunities Fund - Nano Cap Series II	10,000	0.07	99,498	0.73
8.	Angel Holdings Pvt Ltd	94,350	0.69	94,350	0.69
9.	Jetu Jacques Taru Lalvani	94,000	0.69	89,000	0.65
10.	Sundaram Mutual Fund A/C Sundaram Select Microcap Series VI	2,12,328	1.56	88,428	0.65

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 (01.04.2017)		Cumulative Shareholding during the financial year 2017- 18	
		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	81,052	0.60
3	R. A. Mirchandani	8,002	0.06	8,002	0.06
4	A. T. Malkani	1,03,626	0.76	1,03,626	0.76
5	D. A. Lalvani	21,642	0.16	21,702	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 Loans	Unsecured Loans (excluding deposits)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	2800.00	747.00	-	3547.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.29	-	-	6.29
Total (i+ii+iii)	2806.29	747.00	-	3553.29
Change in Indebtedness during the financial year				
• Addition	24214.67	2651.00	-	26865.67
• Reduction	19506.29	2764.00	-	22270.29
Net Change	4708.38	(113.00)	-	4595.38
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	7486.00	634.00	-	8120.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.67	-	-	28.67
Total (i+ii+iii)	**7514.64**	**634.00**	-	**8148.67**

VI A. **Remuneration of Directors and Key Managerial Personnel**

(₹ 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 provisions contained in section 17(1) of the Income Tax Act, 1961	109.44	96.37	82.18	**287.99**
	(b) Value of the perquisites u/s 17(2) of the Income Tax Act, 1961	21.67	8.61	9.27	**39.55**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	**-**
2	Stock Option	-	-	-	**-**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total
		A. B. Advani	S. M. Bhat	N. Malkani Nagpal	
3	Sweat Equity	-	-	-	**-**
4	Commission – as % of profit – others, specify…	3.58	12.88	3.58	**20.04**
5	Others (Bonus for FY 2016-17)	-	18.31	-	**18.31**
	Total (A)	**134.69**	**136.17**	**95.03**	**365.87**

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

B. Remuneration to other Directors

1. Independent Directors **(₹ in lakhs)**

Particulars of Remuneration	Name of the Directors						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	0.77	0.54	0.45	0.72	0.40	0.40	**3.28**
Commission	3.58	3.58	3.58	3.58	3.58	3.58	**21.48**
Others, please specify	-	-	-	-	-	-	**-**
Total (1)	**4.35**	**4.12**	**4.03**	**4.30**	**3.98**	**3.98**	**24.76**

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	0.30	0.84	0.73	**1.87**
Commission	3.58	3.58	3.58	**10.74**
Others, please specify	-	-	-	**-**
Total (2)	**3.88**	**4.42**	**4.31**	**12.61**
			Total (B)=(1+2)	**37.37**

Note: The remuneration payable to the Non-Executive Directors is within the overall limits 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	31.18	26.60	**57.78**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.05	-	**1.05**
	(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...	-	-	**-**
	Total	**32.23**	**26.60**	**58.83**

VII. Penalties / Punishment / Compounding of Offences

Sr.	Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A	**Company**					
	Penalty					
	Punishment					
	Compounding					
B	**Directors**					
	Penalty			NIL		
	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: 30th May, 2018

ANNEXURE II - TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2017-18

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 CSR activities for FY 2017-18:

   - Promoting education among children, women, elderly and differently abled, including special education & employment enhancing vocational skills, especially skill development and encouraging safety practices in manufacturing & allied fields.
   - Empowering women towards individual and professional development opportunities.
   - Promoting sanitation, hygiene, healthcare & 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 the 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

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

   Mr. G. M. Lalwani - 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)
   Mr. M. K. Maheshwari – Chairman (Non – Executive & Independent Director) upto 05th December, 2017.

3. **Average net profit of the Company for the last three financial years, under Section 198 of the Companies Act, 2013:** ₹ 2,921.44 Lakhs

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹ 58.43 Lakhs

5. **Details of CSR expenditure for FY 2017-18:**

   (a) Total amount spent for FY 2017-18: ₹ 32.87 Lakhs
   (b) Amount unspent : ₹ 25.56 Lakhs
   (c) Manner in which the amount was spent during FY 2017-18 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) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Health Care	Promoting Health Care Including Preventive Health Care	Sponsoring 20 Cataract Surgeries @Rs.1,500/- per Surgery	Rs. 0.30 Lakh	Direct Exp. – Rs. 0.30 Lakh Overhead - NIL	Rs. 0.30 Lakh	Rs. 0.30 Lakh: through Rotary Club of Kolkata

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) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
2	Women Empowerment	Promoting education for underprivileged women	Maharshi Karve Stree Shikshan Sanstha (MKSSS)- Financial Guardianship for 1 (one) girl child from the weaker section of the society	Rs. 0.40 Lakh	Direct Exp. - Rs. 0.40 Lakh Overhead - NIL	Rs. 0.40 Lakh	Rs. 0.40 Lakh: through Maharshi Karve Stree Shikshan Sanstha
3	Vocational Training	Vocational Training for poor & needy	Purchasing and installing Printers at MKSSS	Rs. 1.46 Lakhs	Direct Exp – Rs. 1.46 Lakhs Overhead - NIL	Rs. 1.46 Lakhs	Rs. 1.46 Lakhs: through SHRO Systems Pvt. Ltd.
4	Promoting Education	Facilities for Education	Providing uniforms to students in Navi Mumbai Hostel	Rs. 0.26 Lakh	Direct Exp – Rs. 0.26 Lakh Overhead - NIL	Rs. 0.26 Lakh	Rs. 0.26 Lakh: through Vanvasi Kalyan Ashram (VKA)
5	Health Care	Promoting Health care	Providing aid for Cancer patients at the CPA Association	Rs. 0.25 Lakh	Direct Exp – Rs. 0.25 Lakh Overhead - NIL	Rs. 0.25 Lakh	Rs. 0.25 Lakh: through Cancer Patients Aid Association
6	Health Care	Promoting Health care	Setting up Centre for Mental Health in Pune	Rs. 2.00 Lakhs	Direct Exp – Rs. 2.00 Lakhs Overhead - NIL	Rs. 2.00 Lakhs	Rs. 2.00 Lakhs: through Institute of Psychological Health (IPH)
7	Vocational Training	Vocational Training for poor & needy	Setting up Welding Training Centre at Kodinar	Rs. 15.00 Lakhs	Direct Exp – Rs. 15.00 Lakhs Overhead - NIL	Rs. 15.00 Lakhs	Rs. 15.00 Lakhs: through M/s. Ambuja Cement Foundation
8	Vocational Training	Vocational Training for poor & needy	Providing sponsorship training to underprivileged youth to take up courses on welding skills	Rs. 8.02 Lakhs	Direct Exp – Rs. 8.02 Lakhs Overhead - NIL	Rs. 8.02 Lakhs	Rs. 8.02 Lakhs: through M/s. Ador Welding Academy Pvt. Ltd.

Sr. No.	CSR project / activity identified	Sector in which project is covered	Projects / Programs	Amount of outlay (budget) – project / program wise	Amount spent on the projects / programs Sub-heads: (1) Direct expenditure on projects / programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
9	Vocational Training	Vocational Training for poor & needy	Sponsorship for Resistance Spot welding training to PCMC ITI students	Rs. 1.65 Lakhs	Direct Exp – Rs. 1.65 Lakhs Overhead - NIL	Rs. 1.65 Lakhs	Rs. 1.65 Lakhs: through M/s. Ador Welding Academy Pvt. Ltd.
10	Vocational Training	Vocational Training for poor & needy	Providing Resistance spot welding training to ITI, Nigdi, Pune	Rs. 2.21 Lakhs	Direct Exp – Rs. 2.21 Lakhs Overhead - NIL	Rs. 2.21 Lakhs	Rs. 2.21 Lakhs: through M/s. Ador Welding Academy Pvt. Ltd.
11	Water Facilities	Making available water facilities in remote areas / villages	Drilled five Bore wells in village areas near Silvassa for easy access to water	Rs.1.32 Lakhs	Direct Exp – Rs. 1.32 Lakhs Overhead - NIL	Rs. 1.32 Lakhs	Rs. 1.32 Lakhs: through Masat Gram Panchayat
					Total	**₹ 32.87 Lakhs**	

6. In case the Company has failed to spend two percent of the average net profits of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amounts in its Board Report - Refer Directors' Report.

7. During FY 2017-18, the implementation and monitoring of CSR Policy was in conformity with the CSR objectives and CSR Policy of the Company.

For **Ador Welding Limited**

Place: Mumbai
Date: 30th May, 2018

Aruna B. Advani
Executive Chairman
(DIN: 00029256)

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

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 through 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 & orphans, setting up old age homes, day care centres & 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 with 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. Installation of LED Lights in our new Electrode / Batching plant at Raipur resulted in Power saving of over 2200 of KWH per month

2. Introduced advanced Fluel Gases Exhaust System in HTK of Saw flux line thereby reduced the energy required per unit of production.

3. Maintained the Power Factor (0.98 – 0.99) of Main Electricity Supply, which gave us cost benefit. This is done with additional capacitor banks and close monitoring of power factor.

4. Air conditioning controller system installed in Server room. This has given us over 6400 electrical units saving and also increased life of AC unit.

5. Proper distribution of total load as per transformers and DG sets gave us maximum utilization of loads.

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. The TDCs continue to pursue their goals, with renewed vigor, in terms of innovation, upgradation, improvement and cost reduction. These TDCs regularly interact with the market / users for improving the competitive features and performance of the Company's products. Some of the significant technology absorption / innovations are listed hereunder:

1. Design and development of Non-copper coated / Copper free Mig wire for the first time with wholly indigenous technology.
2. Design & development of flux for Electroslag Strip Cladding process for the first time.
3. Innovative process for the Elimination of Al cups in XRF testing. Aluminum cups were replaced with boric powder that achieved savings to the tune of 80% of the cost of the Al cups.
4. Development of an innovative instrument to measure coating loss in SMAW electrodes.
5. Developed the GMAW process with Constant current power source by digitizing the waveform control using innovative software algorithm. The welding performance of digital controlled MIG machine is better than analogue type control for MIG process.
6. Introduced the innovative duty cycle control in 500A AC/DC TIG machine by implementing the software in digital controller of this machine. This controls the usage of machines based on its duty cycle.
7. Developed the energy efficient single phase 250A MIG machine which works on input supply with unity power factor. This unity power factor is achieved by innovative active power factor control design.
8. Added the twin pulse welding mode in 500A pulse MIG machine. Due to this mode, precise heat control is achieved which enables welding on thin material particularly Aluminum sheet upto 1.2 mm. This mode gives good aesthetics to the welding bead.

Import Substitute by Localization:

Following components are developed locally as import substitutes:

1) 400A Chopper modules on Insulated Metal Substrates (IMS).
2) 400A MIG torches.
3) Ferrite core transformers for 250A and 300A.

9. **Energy Conservation and Safety:**

a) Introduced new environmental friendly CPCB II compliant 300A Two cylinder engine driven welding generator. This welding machine complies with noise and emission pollution control norms.

b) With the implementation of active power factor control circuitry in single phase 250A MIG machine, power factor of machine has improved to unity and reduced the emission of harmonics in power supply lines below the International harmonic norms. Due to unity power factor, input supply current burden is reduced.

Summary of expenditure on R & D: **(₹ in Lakhs)**

Particulars	**FY 2017-18**	FY 2016-17
Capital	**43**	92
Recurring	**338**	415
Total	**381**	507
Total R & D expenditure as a percentage of total turnover	**0.80%**	1.03%

C. Foreign Exchange Earnings & Outgo: **(₹. in Lakhs)**

Particulars	**FY 2017-18**	FY 2016-17
Foreign Exchange Earnings	**9,666**	9,604
Foreign Exchange Outgo	**4,047**	3,770

For and on behalf of the Board

Aruna B. Advani
Executive Chairman
(DIN: 00029256)

Place: Mumbai
Date: 30th May, 2018

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

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

During FY 2017-18 under review, the Board of Directors met 4 (four) times, i.e. on 09th May 2017, 30th August, 2017, 06th December, 2017 and 05th February, 2018. Details of the Board Meetings held during FY 2017-18 are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors Present
1	09th May, 2017	12	12
2	30th August, 2017	12	11
3	06th December, 2017	12	10
4	05th February, 2018	12	11

The composition of the Board of Directors, attendance at the Board Meetings held during FY 2017-18 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 2017–18 Attendance at		As on March 31, 2018		
			Board Meetings	Last AGM (31st August, 2017)	No. of other Directorships #	Committee Positions @	
						No. of Memberships	No. of Chairmanships
1	Ms. A. B. Advani	Executive	3	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	2	Absent	1	NIL	2
5	Mr. A. T. Malkani	Non-Executive	4	Present	2	NIL	NIL
6	Mr. D. A. Lalvani	Non-Executive	4	Present	2	4	NIL
7	Mr. M. K. Maheshwari	Independent & Non-Executive	4	Present	3	2	1
8	Mr. P. K. Gupta	Independent & Non-Executive	3	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	Absent	1	NIL	NIL
12	Mr. S. G. Mirchandani	Independent & Non-Executive	4	Present	3	NIL	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 & Subsidiary of the Company.
- The information on recruitment and remuneration of senior officers, just below the Board level, including the appointment & / or removal of CFO & CS.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations by the Company, or substantial non-payment of goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Risk Mitigation plans / updates.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Significant 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 or are tabled in the course of the Board Meeting, which get discussed / noted by the Board.

Code of Conduct:

The Board of Directors has laid down a 'Code of Conduct' for all the Board Members and Senior Management Personnel of the Company. The 'Code of Conduct' has also been posted onto the website of the Company and all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for FY 2017–18.

The Company has also adopted a separate code for Independent Directors, as laid down under Schedule IV to the Companies Act, 2013 and the same is also posted onto the website of the Company at **http**://www.adorwelding.com/corporate/code-of-conduct/for-directors-senior-management.html

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 subject experts to the meeting.

Composition, Number of Meetings held and Attendance

During FY 2017-18 under review, 4 (four) Audit Committee Meetings were held, i.e. on 09th May, 2017, 30th August, 2017, 06th December, 2017 and 05th February, 2018.

On 09th May, 2017, Mr. A. T. Malkani was inducted in place of Mr. D. A. Lalvani. On 06th December, 2017, the Audit Committee elected Mr. K. Digvijay Singh as the Chairman of the Audit Committee. Mr. M. K. Maheshwari continued to provide his invaluable services as a Member of the Audit Committee.

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

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers apropos, to be present at any of the Audit Committee Meetings. In all the Audit Committee Meetings held in FY 2017-18, Senior Executives and Statutory Auditors of the Company were invited.

The composition of the Audit Committee and attendance at the Meetings held in FY 2017-18 is given hereunder:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2017-18
1	Mr. K. Digvijay Singh	Chairman #	Non-Executive & Independent Director	4
2	Mr. M. K. Maheshwari	Member (Ex-Chairman) $	Non-Executive & Independent Director	4
3	Mr. P. K. Gupta	Member	Non-Executive & Independent Director	3
4	Mr. A. T. Malkani^	Member	Non- Executive Director	3
5	Mr. D. A. Lalvani*	Member	Non-Executive Director	1

***	Till 09th May, 2017**
**^	From 10th May, 2017**
**$	Till 05th December, 2017**
**#	From 06th December, 2017**

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:

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- Formulating the criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment & removal.
- Ensuring that the level and composition of remuneration is reasonable & sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully & efficiently.
- Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensuring that the remuneration of the Directors, Key Managerial Personnel and senior management involves a balance between fixed and variable pay, reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.
- Carrying out evaluation of every Director's performance, including the Independent Directors.

- Reviewing and recommending to the Board, the following:

  a) Appointment / re-appointment of the Whole-time Directors and the Non-executive Directors, including contract terms, performance criteria / targets, fees, travel and other benefits, etc.

  b) "Remuneration Report" in accordance with the Companies Act, 2013 for inclusion in the Directors' Report.

  c) "Remuneration Policy"

    - for the Whole-time / Executive Directors and Non-executive Directors;
    - for the Key Managerial Personnel & Senior Management; and
    - for other employees.

  d) The size, qualification and composition of the Board.

  e) Short-term incentive strategy, performance targets and bonus payments for the Executive Directors.

  f) Offers, under the Company's employee equity incentive plans, if any, in respect of any financial year.

- Reviewing major changes and developments in the Company's remuneration, recruitment, retention, superannuation arrangements, human resource practices and employee relations.

- Ensuring that the Board & the Management makes available to them sufficient information and external advice, for informed decision-making, regarding remuneration.

Composition, Number of Meetings held and Attendance

During FY 2017-18 under review, 1 (one) Nomination & Remuneration Committee Meeting was held on 09th May, 2017. Mr. R. A. Mirchadani was inducted in place of Mr. D. A. Lalvani on 09th May, 2017.

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

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

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance During FY 2017-18
1	Mr. R. N. Sapru	Chairman	Non-Executive & Independent Director	1
2	Mr. M. K. Maheshwari	Member	Non-Executive & Independent Director	1
3	Mr. D. A. Lalvani^	Member	Non-Executive Director	1
4	Mr. R. A. Mirchadani*	Member	Non-Executive Director	NA

^ Till 09th May, 2017
*** From 10th May, 2017**

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 Meeting 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 its 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 and 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 in 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 weblink:

   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 2017–18 are given below:-

(₹ in lakhs)

Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission £	Sitting Fees @ £	Total
1	Ms. A. B. Advani	135.38	12.51	-	3.58	-	**151.47**
2	Mr. S. M. Bhat	122.41	1.67	18.31	12.88	-	**155.27**
3	Mrs. N. Malkani Nagpal	100.77	2.67	-	3.58	-	**107.02**
4	Mr. R. A. Mirchandani	-	-	-	3.58	0.30	**3.88**
5	Mr. A. T. Malkani	-	-	-	3.58	0.84	**4.42**
6	Mr. D. A. Lalvani	-	-	-	3.58	0.73	**4.31**

(₹ in lakhs)

Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission £	Sitting Fees @ £	Total
7	Mr. M. K. Maheshwari	-	-	-	3.58	0.77	**4.35**
8	Mr. P. K. Gupta	-	-	-	3.58	0.54	**4.12**
9	Mr. R. N. Sapru	-	-	-	3.58	0.45	**4.03**
10	Mr. K. Digvijay Singh	-	-	-	3.58	0.72	**4.30**
11	Mr. G. M. Lalwani	-	-	-	3.58	0.40	**3.98**
12	Mr. S.G. Mirchandani	-	-	-	3.58	0.40	**3.98**
	Total	**358.56**	**16.85**	**18.31**	**52.26**	**5.15**	**451.13**

 # Fixed Component
@ As Member / Invitee, wherever applicable
£ Excluding Service Tax / GST

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.
- The Agreement with 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.
- The Executive & the Whole Time Director, as per the Agreements, are entitled to Commission upto 1% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013.
- The Non Executive Directors are also entitiled to comission upto 1% of the net profits of the Company proportionately / on pro-rata basis, as calculated under Section 198 of the Companies Act, 2013.
- The Agreement with the 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 to the Managing Director for FY 2017-18 was as follows:

  (1) Bonus upto 0.05% of the targeted net sales.
  (2) Commission upto 0.50% of the Net Profits, subject to the achievement of targets.
- All the Promoter Directors, including the Executive Chairman & 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. This information is also uploaded on the website of the Company.

Composition, Number of Meetings held and Attendance

During FY 2017-18 under review, 4 (four) Stakeholders Relationship Committee Meetings were held, i.e. on 09th May, 2017, 30th August, 2017, 06th December, 2017 and 05th February, 2018.

On 30th August, 2017, the Stakeholders Relationship Committee elected Mr. A. T. Malkani as the Chairman of the Stakeholders Relationship Committee in place of Mr. D. A. Lalvani. Mr. D. A. Lalvani continues to provide his invaluable services as a Member of the Stakeholders Relationship Committee

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 2017-18
1	Mr. A. T. Malkani	Chairman^	Non - Executive Director	4
2	Mrs. N. Malkani Nagpal	Member	Whole - Time Director	4
3	Mr. D. A. Lalvani	Member (Ex-Chairman)*	Non - Executive Director	4
4	Mr. R. A. Mirchandani	Member	Non - Executive Director	2

***	Till 29th August, 2017**
**^	From 30th August, 2017**

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 2017-18 is 11.
- There was 1 (one) pending complaint in physical segment for request of unclaimed dividend which was outstanding as on 31st March, 2018 and subsequently resolved in April 2018. There are no outstanding complaints in the demat category.

The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director	Shareholding (No. of Shares) as on 31st March, 2018
1	Ms. A. B. Advani	2,95,480
2	Mr. S. M. Bhat	Nil
3	Mrs. N. Malkani Nagpal	81,052
4	Mr. R. A. Mirchandani	8,002
5	Mr. A. T. Malkani	1,03,626
6	Mr. D. A. Lalvani	21,702
7	Mr. M. K. Maheshwari	Nil
8	Mr. P. K. Gupta	Nil
9	Mr. R. N. Sapru	Nil
10	Mr. K. Digvijay Singh	Nil
11	Mr. G. M. Lalwani	10
12	Mr. S. G. Mirchandani	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, pursuant to Schedule VII to the Companies Act, 2013.
- Recommending the annual budget of the CSR activities which indicates the amount of expenditure to be incurred on the CSR projects / programmes.
- Monitoring the implementation of 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.

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 2018-19 are 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

Composition, Number of Meetings held and Attendance

During FY 2017-18 under review, 4 (four) CSR Committee Meetings were held, i.e. on 09th May, 2017, 30th August, 2017, 06th December, 2017 and 05th February, 2018.

On 06th December, 2017, the Corporate Social Responsibility Committee was reconstituted by the Board of Directors by nominating Mr. G. M. Lalwani to the Corporate Social Responsibility Committee in place of Mr. M. K. Maheshwari. The Corporate Social Responsibility Committee thereafter appointed Mr. G. M. Lalwani as its Chairman.

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

The composition of the CSR 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 2017-18
1	Mr. G. M. Lalwani*	Chairman	Non - Executive & Independent Director	2
2	Ms. A. B. Advani	Member	Executive Chairman	3
3	Mr. S. M. Bhat	Member	Managing Director	4
4	Mr. D. A. Lalvani	Member	Non - Executive Director	4
5	Mr. M. K. Maheshwari^	Chairman	Non - Executive & Independent Director	2

^ Till 05th December, 2017
*** From 06th December, 2017**

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

7) General Body Meetings

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

Sr. No.	Financial Year	Date	Location	Time
1	2016-17	31st August, 2017	Walchand Hirachand Hall, Mumbai	11:00 am
2	2015-16	28th July, 2016	Walchand Hirachand Hall, Mumbai	03:30 pm
3	2014-15	30th July, 2015	Walchand Hirachand Hall, Mumbai	03:30 pm

All the special resolutions moved in the previous 3 (three) Annual General Meetings were passed by majority of the Members present at the Meeting and there were 4 (four) special resolutions during last year. The Company had provided an e-voting facility to its Members and a poll (physical ballot) was conducted at the 64th Annual General Meeting held on 31st August, 2017. All the resolutions were passed with requisite majority thereat.

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

Sr. No.	Financial Year	Dividend %	Type of Dividend	Dividend Outflow (Rs. in lakhs)	Dividend Tax Outflow (Rs. in lakhs)	Total Outflow (Rs. in lakhs)	Profit After Tax (PAT) (Rs. in lakhs)	% of Dividend & Tax Outflow to PAT
A	B	C	D	E	F	G = (E+F)	H	I = (G/H)%
1	2017-18	50$	Final	679.92	138.42	818.34	1,856.00	44.09
2	2016-17	50	Final	679.92	138.42	818.34	1,812.00	45.16
3	2015-16	50	Final	679.92	138.42	818.34	2,264.76	36.13
4	2014-15	50	Final	679.92	138.42	818.34	3,237.32	25.28
5	2013-14	50	Final	679.92	115.55	795.47	422.70	188.19
6	2012-13	60	Final	815.91	132.36	948.27	1,908.02	49.70
7	2011-12	60	Final	815.91	132.36	948.27	2,089.11	45.39
8	2010-11	60	Final	815.91	135.51	951.42	2,569.11	37.03

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

Postal Ballot:

During the year under review, the Company has taken Members approval through Special Resolution by way of Postal Ballot on 16th March, 2018 for the following business:-

a. Creation of charges on the movable and immovable properties of the Company in respect of / against its borrowings

The provisions of Section 180(1)(a) of the Companies Act, 2013 provide that the Board of Directors of the Company shall exercise their powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings, only with the consent of the Company by a Special Resolution. Accordingly, Members approval was sought by way of a Special Resolution, to create security or charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 for the purposes of / against its borrowings.

The mortgage / hypothecation and / or any charge by the Company on its movable and / or immovable assets and / or the whole or any part of the undertaking(s) of the Company in favour of the lender(s), may / can be regarded / considered as disposal of the Company's undertaking(s) up to an amount as may be required to secure the borrowings undertaken within the limits approved under Section 180(1)(c) of the Companies Act, 2013.

b. Alteration to Articles of Association

Pursuant to Section 14 of the Companies Act, 2013, the Board of Directors of the Company recommended alteration to Article 58 of the Articles of Association (AoA) pertaining to the Borrowing Powers of the Company, for Members approval. The new / revised Article 58 reads as under:

ARTICLE 58 – POWER TO BORROW: *The Board may, from time to time, at its discretion raise or borrow, any sum or sums of money for the purpose of the Company upto a limit of Rs. 500.00 Crore (Rupees Five Hundred Crore only), or upto the net worth of the Company as per the latest audited Balance Sheet of the Company, whichever is lower, in accordance with / subject to the provisions of the Companies Act, 2013.*

The Board of Directors of the Company appointed Mr. Hemanshu Kapadia (FCS: 3477; CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, Mumbai as the Scrutiniser for conducting the postal ballot and e-voting process thereof, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder, in a fair and transparent manner.

Procedure of conducting Postal Ballot:

The Company conducted the postal ballot in accordance with the provisions of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("the Rules"), and other applicable provisions, if any, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Company completed dispatch of the Postal Ballot Notice dated 05th February, 2018 along with the Explanatory Statement, Postal Ballot Form and Self-Addressed Business Reply Envelopes on 14th February, 2018 through e-mail to those Members whose e-mail IDs were registered with the Depository Participant / the Registrar & Share Transfer Agent (RTA) and through physical mode, along with self- addressed prepaid postage envelopes, to the Members whose e-mail IDs were not registered. The Company had published a notice in the newspaper declaring the details of completion of dispatch and other requirements, as mandated under the provisions of the Act and Rules framed thereunder on 15th February, 2018. In compliance with the provisions of Sections 108 and 110 of the Act and Rules framed thereunder read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e- voting to its Members to enable them to cast their votes electronically. The voting under the postal ballot was kept open from Thursday, 15th February, 2018 (9.00 am IST) to Friday, 16th March, 2018 (5.00 pm IST). The result of the Postal Ballot along with the Scrutiniser's Report was declared on Saturday, 17th March, 2018 at 07:00 pm (IST) at the Registered Office of the Company and was also displayed on the website of the Company at www.adorwelding.com and on the website of NSDL at www.evoting.com. The said result was also intimated to the stock exchanges viz., National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Voting Results:

RESOLUTION – 1								
Creation of charges on the movable and immovable properties of the Company in respect of / against its Borrowings								
Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter / promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes–in favour**	**No. of Votes-Against**	**% of Votes in favour of the total votes polled**	**% of Votes against of the total votes polled**
		1	**2**	**(3)=[(2)/(1)]* 100**	**4**	**5**	**(6)=[(4)/(2)]* 100**	**(7)=[(5)/(2)]* 100**
Promoter and Promoter group	E-voting	7709027	7643697	99.15	7643697	0	100.000	0.000
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		0	0.00	0	0	0.000	0.000
	Total	**7709027**	**7643697**	**99.15**	**7643697**	**0**	**100.000**	**0.000**
Public Institutions	E-voting	2422368	1007618	41.60	1007618	0	100.000	0.000
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		180000	7.43	180000	0	100.000	0.000
	Total	**2422368**	**1187618**	**49.03**	**1187618**	**0**	**100.000**	**0.000**
Public Non-Institutions	E-voting	3467072	98728	2.85	97811	917	99.071	0.929
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		8658	0.25	8614	44	99.492	0.508
	Total	**3467072**	**107386**	**3.10**	**106425**	**961**	**99.105**	**0.895**
	Grand Total	**13598467**	**8938701**	**65.73**	**8937740**	**961**	**99.989**	**0.0108**

RESOLUTION – 2								
Alteration to the Articles of Association of the Company								
Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter / promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of shares held**	**No of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes - Against**	**% of Votes in favour of the total votes polled**	**% of Votes against of the total votes polled**
		1	**2**	**(3)=[(2)/(1)]* 100**	**4**	**5**	**(6)=[(4)/(2)]* 100**	**(7)=[(5)/(2)]* 100**
Promoter and Promoter group	E-voting	7709027	7643697	99.15	7643697	0	100.000	0.000
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		0	0.00	0	0	0.000	0.000
	Total	**7709027**	**7643697**	**99.15**	**7643697**	**0**	**100.000**	**0.000**
Public Institutions	E-voting	2422368	1007618	41.60	1007618	0	100.000	0.000
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		180000	7.43	180000	0	100.000	0.000
	Total	**2422368**	**1187618**	**49.03**	**1187618**	**0**	**100.000**	**0.000**
Public Non-Institutions	E-voting	3467072	98728	2.85	97811	917	99.071	0.929
	Poll		0	0.00	0	0	0.000	0.000
	Postal Ballot		8658	0.25	8464	194	97.760	2.241
	Total	**3467072**	**107386**	**3.10**	**106275**	**1111**	**98.970**	**1.030**
	Grand Total	**13598467**	**8938701**	**65.73**	**8937590**	**1111**	**99.988**	**0.012**

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 05th February, 2018, 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 Mr. P. K. Gupta who had sought leave of absence.

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

Further, a summary of the programs conducted for the Independent Directors during FY 2017-18 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

9) Disclosures

9.1 Materially significant related party transactions

During FY 2017–18 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

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_Subsidiary_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

No person is denied access to the Chairman of the Audit Comittee 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. Hence, the financial results are not sent to the shareholders residence. Annual Report is e-mailed to the Shareholders, whose e-mail IDs are registered with the Company / RTA / DP and posted / 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 2017-18, one (1) Analysts / Institutional Investors Meet was conducted by the Company on 13th September, 2017 and the Company participated in one (1) Analysts Meet organised by ICICI Securities on 07th December, 2017. The presentations pertaining to the Institutional Investors / Analysts Meet are uploaded onto the website of the Company along with the relevant details at the following web-links:

http://www.adorwelding.com/images/pdf/Ador-Welding-Limited-Investor-Meet---13th- Sep-2017.pdf & **http**://www.adorwelding.com/images/pdf/presentationatemergingindia2017.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:

Day, Date and Time	Friday, 10th August, 2018 at 11:00 am
Venue	Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai - 400 020, Maharashtra, India.
Financial Year	01st April, 2017 – 31st March, 2018
Book Closure Date	Saturday, 04th August, 2018 to Friday, 10th August, 2018
Dividend Payment Day and Date	By Friday, 17th August, 2018
Financial Calendar for FY 2018–19	Financial (unaudited) Reporting for the quarter ending June 2018 – by 14th August, 2018 Financial (unaudited) Reporting for the quarter ending September 2018 – by 14th November, 2018 Financial (unaudited) Reporting for the quarter ending December 2018 – by 14th February, 2019 Financial (audited) Reporting for the year ending March 2019 – by 31st May, 2019

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, 01st 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:

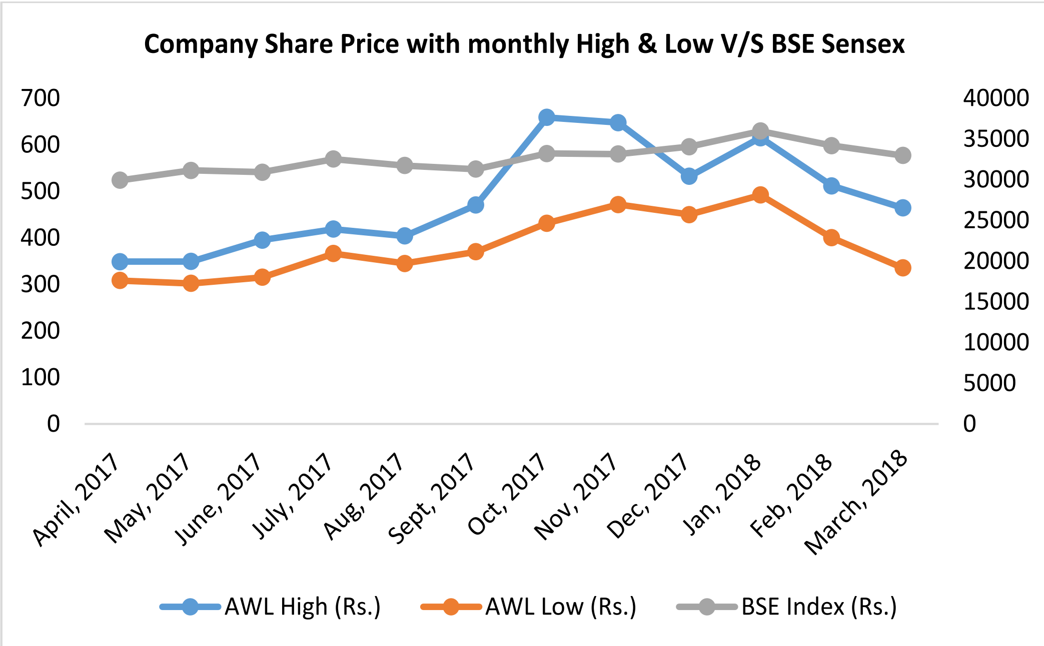
The annual listing fees and custodial fees for the financial year 2017-18 have been paid by the Company within the stipulated time.

Market Price Data:

Market / Price data during each month of FY 2017-18 is given hereunder:

INDEX	BSE				NSE			
Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2017	348.90	308.00	5,54,390	1,800	348.00	308.15	5,78,618	7,069
May, 2017	349.00	302.00	16,009	1,486	348.95	308.80	1,58,728	6,198
June, 2017	395.10	315.00	20,304	7,502	400.85	312.25	11,04,505	37,053
July, 2017	418.50	366.00	38,018	2,468	419.95	368.60	2,82,834	11,179
August, 2017	403.95	345.00	11,259	681	404.85	336.55	1,24,889	5,981
September, 2017	470.40	370.00	2,64,978	7,112	474.90	368.10	10,96,448	35,125
October, 2017	658.85	431.50	7,17,314	33,581	659.00	429.60	48,78,193	1,76,327
November, 2017	647.70	471.60	3,02,159	14,016	649.65	502.00	19,98,510	71,170
December, 2017	532.00	450.00	59,792	2,878	515.00	460.00	5,47,075	20,937
January, 2018	615.00	492.00	3,90,426	18,918	613.00	490.05	26,27,942	89,139
February, 2018	511.65	400.00	46,791	2,399	515.00	393.65	4,21,208	17,246
March, 2018	464.00	335.10	1,58,612	3,326	464.00	370.05	6,93,446	27,229

Performance in comparison to BSE Sensex:



Registrar & Share Transfer Agent:

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

M/s. Sharex Dynamic (India) Pvt. Ltd.
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
E-mail: 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 also processed and the confirmation is given by RTA to the depositories within 15 days. The Company Secretary and a couple of Senior Executives of the Company are empowered to approve the share transfers.

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

Distribution of shareholding as on 31st March 2018:

Sr. No.	Range of Shareholding	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1	1-100	7,843	56.45	3,73,636	2.75
2	101-200	2,493	17.94	3,97,056	2.92
3	201-500	2,772	19.95	8,11,300	5.97
4	501-1,000	412	2.97	3,19,271	2.35
5	1,001-5,000	298	2.14	6,54,575	4.81
6	5,001-10,000	31	0.22	2,22,216	1.63
7	10,001-1,00,000	36	0.26	12,95,569	9.53
8	1,00,001 and above	9	0.06	95,24,844	70.04
	Total	**13,894**	**100.00**	**1,35,98,467**	**100.00**

Shareholding Pattern (category wise) as on 31st March, 2018:

Sr. No.	Category	No. of Shares Held	% of Total Shareholding
1	Promoters	77,09,087	56.69
2	Mutual Funds	21,33,480	15.69
3	Banks / Financial Institutions / State Govt./ Insurance	1,81,550	1.34
4	FIIs	0	0.000
5	NRIs / OCBs	2,68,582	1.98
6	Private Corporate Bodies	3,75,246	2.76
7	Resident Individuals & others	28,97,132	21.30
8	Clearing Members	33,390	0.25
	Total	**1,35,98,467**	**100.00**

Dematerialisation of Shares and Liquidity:

- 1,30,07,429 Equity shares of the Company, representing about 95.65% of the total shares of the Company, have been dematerialized as on 31st March, 2018.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in dematerialised form with effect from 08th May, 2000 and are available for trading on both the depositories of India, i.e. M/s. National Securities Depository Ltd. (NSDL) & M/s. Central Depository Services (India) Ltd. (CDSL).

Statutory Compliance:

During FY 2017-18 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 31st March, 2018:

Raipur Plant	**Chinchwad Plant**
Bilaspur Road, Industrial Estate, Raipur - 493 221. Chattisgarh, INDIA	Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019. Maharashtra, INDIA
Chennai Plant	**Silvassa Plant**
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, 4th Floor, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, INDIA.

B) Non Mandatory Requirements

- **Chairman of the Board:**

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

- **Shareholders Rights:**

  As the Company's financial results are published in English newspaper having a wide circulation all over India and in Marathi newspaper widely circulated in Mumbai (Maharashtra), the same are not individually sent to the shareholders of the Company. 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. Aruna B. Advani and the Managing Director (CEO), being Mr. S. M. Bhat.

- **Training of the Board Members:**

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

- **Reporting of the Internal Auditors:**

  M/s. Kirtane & Pandit, LLP Chartered Accountants, Pune were appointed as the Internal Auditors of the Company for FY 2017-18 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: 30th May, 2018

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 the Board of Directors and Senior Management Personnel of Ador Welding Limited have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management, adopted by the Company, for FY 2017-18.

For **Ador Welding Limited**

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

Mumbai, 30th May, 2018

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 14 September 2017.

2. We have examined the compliance of conditions of corporate governance by Ador Welding Limited (the 'Company') for the year ended 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the 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 2018.

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

Restriction on use

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

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

per Nikhilesh Nagar
Partner
Membership No: 079597

Place: Mumbai
Date: 30 May 2018

ANNEXURE V - TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENTS

The much awaited Goods & Services Tax (GST) was implemented w.e.f. 01st July, 2017. After initial disruptions in trade and commerce, this new tax reform has started to entrench itself within the economy. In the long term, it is expected to create not only a robust tax regime with higher revenues for the Government but also a more efficient environment for business by reducing pricing anomalies, lowering tax evasion, improving supply chain management and increasing corporate sales.

Effects of demonetization on the economy seem to have faded away and the government's push towards "Financialization" of the economy through initiatives such as Direct Benefit Transfers, JAM etc. is expected to have a cumulative and substantial bearing on long term growth, investment and job creation in the economy.

Fresh capital to the extent of around Rs. 2.1 trillion was infused by the Government in Public Sector Banks (PSBs). This should allow the PSBs to start lending again to sectors of the Economy which depend purely on bank funding, like MSME, and fire up the supply chain and kick start the investment cycle.

Enactment of Insolvency & Bankruptcy Code (IBC) 2016 was another significant development in the Year. The IBC will help resolve issue of bad loans in a time bound manner and provide banks with much needed capital, increase their ability to lend and enhance their profitability. During the year, 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 stability in value of the Indian rupee.

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 and hence we continued to grow in both the segments.

2. OPPORTUNITIES & THREATS

The Government's efforts to consolidate and simplify India's archaic labour laws is a step forward in the ease of doing business. A new defence production policy is expected to boost domestic production and achieve self-reliance in manufacturing weapons by the year 2025. This will open up new business opportunities for domestic industry. Our continued R & D focus on developing new products and solutions will enable us to address these new opportunities and is expected to drive growth, apart from our thrust in sectors such as Railways, Infrastructure, Automobiles, and Oil & Gas.

We continue to strengthen our manufacturing processes, widen sales network, invigorate sales force, promote digital culture and showcase our differentiating capabilities in the market place to gain competitive advantage and improve market share in a highly fragmented industry. We continue to explore new markets for exports but concentrate our efforts in the GCC countries and dominate in segments we have already established ourselves in.

3. RISKS & CONCERNS

Fiscal year 2017-18 reflected the return of consumer spending, especially in rural India. Discretionary purchases such as passenger cars and two wheelers showed healthy growth. Investment and industrial growth in India is on the upswing. However, geo political events in Asia and Europe are affecting markets and commodities. Interest rates in the USA have increased resulting in capital flowing back into the USA from emerging economies. Price of crude oil is steadily increasing and is projected to touch USD 100 / bl. All these factors are likely to affect the Indian economy. Current account deficit may widen, inflation may rise and the value of the Indian rupee may come under further pressure, after having depreciated around 5% in the last 9-12 months .This increases the possibility of interest rate hikes in FY 2018-19. General Election in May, 2019 may, however, have a positive impact on Government policy initiatives & actions and create additional thrust to government investment, thereby opening new business opportunities.

4. INCOME STATEMENT ANALYSIS

The total operating revenue (net of excise) for the year ended 31st March, 2018 was Rs. 45,774 lakhs, attaining a growth of around 4% over the previous year. Revenue (net of excise) from the consumables was Rs. 30,585 lakhs, registering a growth of 8.00% over the previous year. Revenue from equipment business was Rs. 7,627 lakhs, growing @ 5.4% over the previous year. Project engineering business revenue of Rs. 7,562 lakhs for the year was lower by Rs. 1,029 lakhs, compared to the previous year. This was due to the tapering of revenue with respect to a large project, which is nearing completion. Other income of Rs. 971 lakhs mainly consisted of FOREX gains, interest income, duty drawback, etc. Expenditure to sales ratio dropped from 94.45% to around 94.05% due to various initiatives taken to contain manufacturing costs and overheads resulting in improvement of Operating profit by around Rs. 4 Crore. We continuously endeavor to improve gross margins through a mix of cost control, product pricing and innovation.

5. BALANCE SHEET ANALYSIS

The Company funded all its capital investment from internal accruals. Debtors have been maintained at 69 days but inventory was higher at 43 days compared to 39 days in the previous year. The Company availed of a working capital loan for one of its PEB projects. The amount outstanding as at 31st March, 2018 is Rs. 4,250 lakhs which will be repaid in the current year.

6. OUTLOOK

As global economic activity continues to strengthen, global economy is forecasted to grow by 3.9% as per the International Monetary Fund (IMF) report. India, with its accelerated investment in infrastructure development in recent years coupled with its demographic advantage, rapid urbanisation, focus on skill development & education and rising technology absorption, is expected to grow @ 7.8% according to IMF. India continues to remain the bright spot in the global economy overtaking China to become the fastest growing economy.

We expect FY 2018-19 to be better than FY 2017-18 with respect to economic growth, inflation, investment, and robust capital flows.

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.

A couple of years ago, 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:

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

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

- Operational and related activities
- Improving management control, process efficiency, etc.
- Review of potential risks and their mitigation plans
- Recognizing & addressing significant legislative and regulatory provisions impacting the organization

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 an ERP system, which has made its Financial and Accounting Management Systems more robust. Further, Business Intelligence (BI) Module 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 its target customers, optimizes sales management, improves customer relationship through personalization, identifies customer needs, offers solutions and analyzes distribution patterns for faster reach to the customers.

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

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company has always been proud of its employees - 'it's Adorians' and thus we always strive hard to serve them with the best and recognize them as our 'first customers'. With such a nurturing and motivating environment, they consistently put their best efforts in delivering the Company's business objectives. It is the constant endeavor of our Company to build a feeling of employee ownership towards the organization through initiatives such as "My Performance, My responsibility"-PMS; thereby differentiating us from the competitors. The employee strength as of 31st March, 2018 stood at 548.

To retain and nurture our people, we have adopted a culture of innovation, safe working environment and give importance to their health and holistic well-being. We ensure Best-in-class practices & HR policies namely, learning & development programs, employee engagement strategies, reward & recognition schemes for key contributors. Several awards like "Adorable Employee of the Year", "Adorable Plant of the Year", "Adorable Business Manager" etc. are given to achievers. Employer branding initiatives have been carefully designed to align with the business objectives. The HR department is aimed to achieve two important objectives:

(1) Being a strategic partner and significantly contributing to constant business improvement.

(2) Contributing to a Holistic Employee Well-being.

Considering the objectives of this year, our special focus is on renewed approach to training and health & well-being of our people. We offer our employees with a well-balanced & variety of training opportunities ranging from functional, behavioral, leadership, career development to personal development, facilitated by internal as well as external experts.

Several developmental interventions during the year were conducted, which included Functional & Leadership Skills for top line and middle line managers in the form of 'Simulations', "Quality Management and Systems" (QMS), Fire Safety and Mock Evacuation, Women 'self- defence' and Prevention of Sexual Harassment (POSH) Act workshop, Special Leadership training for Key Distributors, Stress Management workshops and 'Yoga & Meditation Sessions at Workplace'.

We believe that the progress of an organization lies in a transparent and empowered environment conducive to innovation. We, therefore, provide forums for employees to voice their opinions through providing platforms such as "Town Hall" and "Talk to your MD". By virtue of such employee friendly initiatives and Best-in-Class practices, we look forward to become a 'Great place to work!'

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

For and on behalf of the Board

Aruna B. Advani
Executive Chairman
(DIN: 00029256)

Place: Mumbai
Date: 30th May, 2018

ANNEXURE VI - TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018, 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, 2018 according to the provisions of:

(1) The Companies Act, 2013 (the Act) and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, to the extent applicable;

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable to the Company during the Financial Year**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the Financial Year**

f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013;**Not applicable to the Company during the Financial Year**

g) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 **Not applicable to the Company during the Financial Year**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Financial Year**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable to the Company during the Financial Year**

(6) Other Laws applicable to the Company;

a) Factories Act, 1948 and Rules made thereunder
b) Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
c) Payment of Bonus Act, 1965, & Rules, 1965
d) Maternity Benefit Act,1961 & Rules
e) Employees Compensation Act, 1923 & Rules.
f) Minimum Wages Act, 1948, M.W(C) Rules, 1950
g) Child Labour (P&R) Act 1986 & Rules.
h) Air (Prevention and Control of Pollution) Act, 1981
i) Water (Prevention and Control of Pollution) Act, 1974
j) The Noise (Regulation and Control) Rules 2000
k) The Environment (Protection) Act, 1986
l) Payment of Wages Act, 1936
m) Employees State Insurance Act, 1948
n) Employees PF & Miscellaneous Provisions Act, 1952
o) Contract Labour (Regulation & Abolition) Act, 1970
p) Legal Metrology Act, 2009
q) Payment of Gratuity Act, 1972
r) Industrial Disputes Act, 1947
s) Indian Contract Act, 1872
t) The States Shops and Establishment Act
u) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
v) 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 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 (7) seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Date: May 29, 2018
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 and 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**
Practicing Company Secretaries
UIN: P1996MH055800

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

Date: May 29, 2018
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) 2017-18:

Sr. No.	Name of the Director	Designation	Ratio
1	Ms. A. B. Advani	Executive Chairman	39.65
2	Mr. S. M. Bhat	Managing Director	40.65
3	Mrs. N. Malkani Nagpal	Whole – Time Director	28.02
4	Mr. R. A. Mirchandani	Director (Non-Executive)	1.02
5	Mr. A. T. Malkani	Director (Non-Executive)	1.16
6	Mr. D. A. Lalvani	Director (Non-Executive)	1.13
7	Mr. M. K. Maheshwari	Director (Independent & Non-Executive)	1.14
8	Mr. P. K. Gupta	Director (Independent & Non-Executive)	1.08
9	Mr. R. N. Sapru	Director (Independent & Non-Executive)	1.05
10	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	1.13
11	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	1.04
12	Mr. S. G. Mirchandani	Director (Independent & Non-Executive)	1.04

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 2017-18:

Sr. No.	Name of the Director / KMP	Designation	% variance
1	Ms. A. B. Advani	Executive Chairman	8.03
2	Mr. S. M. Bhat	Managing Director	17.35
3	Mrs. N. Malkani Nagpal	Whole – Time Director	7.64
4	Mr. R. A. Mirchandani	Director (Non-Executive)	3.47
5	Mr. A. T. Malkani	Director (Non-Executive)	11.90
6	Mr. D. A. Lalvani	Director (Non-Executive)	2.86
7	Mr. M. K. Maheshwari	Director (Independent & Non-Executive)	5.58
8	Mr. P. K. Gupta	Director (Independent & Non-Executive)	2.49
9	Mr. R. N. Sapru	Director (Independent & Non-Executive)	6.05
10	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	6.97
11	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	7.57
12	Mr. S. G. Mirchandani	Director (Independent & Non-Executive)	10.56
13	Mr. V. M. Bhide	Head - Corp. Admin., IA, KM, Legal & Company Secretary	4.56
14	Mr. G. A. Patkar	Chief Financial Officer	5.68

3 The percentage increase in the median remuneration of employees in FY 2017-18 over FY 2016-17: **6.38%**

4 The number of permanent employees on the roll of the Company as on 31st March, 2018: **548**

5 Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2017-18 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The percentile is same as FY 2016-17 in Non-Managerial cadre and Managerial cadre, (excluding Whole-time Directors) i.e. 60 percentile and 66 percentile respectively.

6 Affirmation that the remuneration is as per the Remuneration Policy of the Company: **Yes, it is confirmed.**

7 Details of top 10 employees in terms of remuneration* drawn for FY 2017-18

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	46	Head - Human Resources	B.E. (Electronics & Instrumentation), PG in HRM	25	02-Apr-2012	Head – HR Operations	Tata Teleservices Ltd
2	V.M.Bhide	49	Head - Corp. Admin, IA, KM, Legal & Company Secretary	B.Com., LL.B. (Gen), AICMA, DTL, DLL & LW, FCS	30	04-Jan-1993	Assistant (Costing)	BASF India Ltd
3	Rajendra Nath	52	Head - PEB	B.E (Mechanical) & CPEM (Export Management), EMBA from IIMC, Kolkata	28	16-Jul-2012	GM - Business Development	Shilchar Technologies Ltd
4	Sunanda Kumar Palit	55	Head – Product Imp, Eqp Quality, CCC & Technical support to WAPS	B. Tech. (Hons.) from IIT Kharagpur	34	04-Jun-2012	Divisional Product Manager (Equipment Division)	ESAB India Ltd.
5	Sunil S Bhoi	59	Head - Plant Operations	B.E. (Electrical)	35	01-Jul-1983	Head - Plant Operations	Started his career with AWL only
6	Aniruddha R. Vilekar	45	CTO and Head - Marketing AWL	BE (MET)	24	02-Jul-2008	National Sales & Development / Product Head	Vikas Powder Metallurgy Pvt. Ltd
7	Girish A. Patkar	62	Chief Financial Officer (CFO)	B Sc (Chemistry), MBA/PGDM (Finance)	36	01-Sep-2015	CFO	Equinox Realty & Infrastructure Pvt Ltd.
8	Ulhas Pujari	45	Plant Head - Chinchwad	BE and MBA	25	15-Jul-2013	DGM Production	Carraro India Limited
9	Sachin Dobhada	51	Head - TDC (E)	BE (Industrial Electronics)	30	08-May-2006	Head- R & D (Equipment)	Hueco Electronics India Pvt. Ltd.
10	Vineet Bansal	49	Head – Sales (Welding Products)	Mechanical Engineering	26	03-Nov-1992	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 of the same.

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 Rs. 102 lakhs or more who are employed throughout the year or monthly remuneration of Rs. 8.50 lakhs or more, even if employed for part of the year during FY 2017-18:

Sr. No.	Name	Age (Years)	Designation	Remuneration (Gross) (Rs. in Lakhs)	Qualification/s	Years of Experience	Date of Commencement of Employment	Last Employment	
								Post Held	Name of the Last Employer
1	Ms. A. B. Advani	63	Executive Chairman	151.47	• Science Graduate, University of Sussex, UK • Owners Management Programme, Harvard Business School, Boston Massachusetts, USA • Strategic Financial Planning Course, IIM, Ahmedabad	42	01.05.1999	Managing Director	J.B. Advani & Co. Pvt. Ltd.
2	Mr. S. M. Bhat	57	Managing Director	155.27	• Bachelor of Engineering (B.E.) from VJTI, Mumbai • Post Graduation in International Marketing & Finance from International Management Institute (IMI), New Delhi	33	02.06.2008	V.P. (Business Development)	Schuler (India) Pvt. Ltd.
3	Mrs. N. Malkani Nagpal	48	Whole Time Director	107.02	• B.Sc. in Business & Economics, Lehigh University, PA, USA MBA (Finance) from Imperial College, UK	25	03.10.1997	Chairman & Whole Time Director	J.B.Advani & Co.Pvt. Ltd

Notes:

1. All the above Appointments are Contractual.
2. Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites and contribution of Provident Fund, Superannuation Fund, etc., wherever applicable.
3. Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company by the employees concerned.
4. Ms. A. B. Advani holds 2,95,480 equity shares and Mrs. N. Malkani Nagpal holds 81,052 equity shares, whereas Mr. S. M. Bhat does not hold any shares of the Company.
5. Ms. A. B. Advani, Mrs. N. Malkani Nagpal and Mr. S. M. Bhat are not related to any other Directors or to each other or to any employees of the Company.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2018

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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 these 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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2017 and 1 April 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read

with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 9 May 2017 and 10 May 2016 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.

11. 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 Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 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 on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2018 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 40 to the standalone financial statements, 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 disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

per Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 30 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the Members of Ador Welding Limited on the standalone financial statements for the year ended 31 March 2018

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 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the Management has conducted a physical verification of inventory at reasonable intervals, except for stock lying with third parties, which have not been verified during the year. For stock lying with third parties at the year end, written confirmations have been obtained by the Management. No material discrepancies between physical inventory and book records were noticed on physical verification of inventory so physically verified.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company'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 lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of scientific research expenses	62.63	12.55	Financial year 2013-2014	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
		2,361.46	88.56	2012-2017	Custom, Excise and Service Tax Appellate Tribunal
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	31.37	2005-2006	Deputy Commissioner
		1.99	4.50	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
		341.50	341.50	2005-2006	Additional session court
		484.46	-	2005-2006	DC- Appeals

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly Convertible Debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the Directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 30 May 2018

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 2018

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 at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Inherent Limitations of Internal Financial Controls 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 Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 30 May 2018

STANDALONE BALANCE SHEET

(₹ in lacs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2	**9,239**	9,114	8,851
(b) Capital work-in-progress	3	**75**	380	136
(c) Investment property	4	**917**	940	965
(d) Intangible assets	5	**66**	55	58
(e) Intangible assets under development		**2**	22	-
(f) Financial assets				
(i) Investments	6	**353**	353	259
(ii) Loans	7	**149**	548	463
(iii) Other non-current financial assets	8	**348**	207	104
(g) Non-current tax assets (net)	9	**337**	260	144
(h) Other non-current assets	10	**2,200**	1,927	1,878
		13,686	13,806	12,858
(2) Current assets				
(a) Inventories	11	**5,384**	4,775	4,387
(b) Financial Assets				
(i) Investments	12	**244**	1,065	1,160
(ii) Trade receivables	13	**9,204**	7,633	11,817
(iii) Cash and cash equivalents	14	**1,612**	2,024	1,291
(iv) Other bank balances	15	**131**	129	122
(v) Loans	16	**408**	106	328
(vi) Other current financial assets	17	**11,355**	7,546	1,286
(c) Other current assets	18	**1,023**	908	535
		29,361	24,186	20,926
Total Assets		**43,047**	37,992	33,784
Equity and liabilities				
Equity				
(a) Equity share capital	19	**1,360**	1,360	1,360
(b) Other equity	20	**23,411**	22,380	21,383
		24,771	23,740	22,743
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Other non-current financial liabilities	21	**19**	33	28
(b) Provisions	22	**240**	203	172
(c) Deferred tax liabilities (net)	23	**806**	744	730
(d) Other non-current liabilities	24	**3**	3	7
		1,068	983	937
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	**8,120**	3,547	266
(ii) Trade payables	26	**7,486**	7,272	7,774
(iii) Other current financial liabilities	27	**854**	943	1,027
(b) Other current liabilities	28	**553**	726	430
(c) Provisions	29	**195**	781	607
		17,208	13,269	10,104
Total equity and liabilities		**43,047**	37,992	33,784
Summary of significant accounting policies	1			
The accompanying notes 1 to 58 are an integral part of the financial statements.				

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in lacs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations(gross)	30	**46,471**	48,083
Other income	31	**971**	938
Total revenue		**47,442**	49,021
Expenses			
Cost of raw materials and components consumed	32	**32,160**	30,596
Purchase of stock-in-trade	33	**694**	899
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	**(133)**	(349)
Excise duty on sale of goods		**697**	3,938
Employee benefits expense	35	**3,831**	3,920
Finance costs	36	**530**	104
Depreciation and amortisation expense	2,4,5	**1,008**	1,122
Other expenses	37	**5,830**	6,071
Total expenses		**44,617**	46,301
Profit before tax		**2,825**	2,720
Tax expense	38		
Current tax		**903**	896
Deferred tax charge		**66**	12
Profit for the year		**1,856**	1,812
Other comprehensive income	39		
(i) Items that will not be reclassified to profit or loss		**(11)**	5
(ii) Income tax relating to items that will not be reclassified to profit or loss		**4**	(2)
Net other comprehensive income/(loss)		**(7)**	3
Total comprehensive income for the period (Comprising profit and other comprehensive income/(loss) for the period)		**1,849**	1,815
Earnings per equity share	52		
Basic and diluted earnings per share (Rs.10 per share)		**13.65**	13.32
Significant accounting policies	1		
The accompanying notes 1 to 58 are an integral part of the financial statements.			

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

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

For and on behalf of the Board of Directors

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Date : 30 May 2018

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Date : 30 May 2018

STANDALONE CASH FLOW STATEMENT

(₹ in lacs)

	Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
A.	**Cash flow from operating activities**				
	Profit before tax		**2,825**		2,720
	Adjustment for:				
	Deferment of revenue	**4**		(31)	
	Fair value adjustments relating to:				
	Derivative contracts	**(13)**		13	
	Financial assets at FVTPL	**(17)**		123	
	Financial assets at amortised cost	**(1)**		(5)	
	Financial liabilities at amortised cost*	**-**		(0)	
	Provision for expected credit loss on trade receivables	**3**		(6)	
	Actuarial (loss) / gain	**(11)**		5	
	Depreciation and amortisation expense	**1,008**		1,122	
	Bad debts written off	**29**		8	
	Loss on sale of property, plant and equipment	**(2)**		2	
	Loss due to fire	**87**		-	
	Assets written off / discarded	**11**		1	
	Items considered separately:				
	Finance cost	**526**		100	
	Interest received on government securities	**-**		(14)	
	Surplus on sale of investments	**(22)**		(236)	
	Interest received from banks and others	**(95)**		(66)	
	Rental income	**(100)**		(111)	
	Exchange gain on revaluation of foreign currency monetary item	**(47)**	**1,360**	(43)	862
	Operating profit before working capital changes		**4,185**		3,582
	Adjustments for changes in working capital				
	(Increase) / decrease in inventories	**(682)**		(447)	
	(Increase) / decrease in trade receivables	**(1,544)**		4,262	
	(Increase) / decrease in loans and other receivables	**(4,029)**		(6,840)	
	Increase / (decrease) in trade payables	**219**		(449)	
	Increase / (decrease) in liabilities and provisions	**(858)**	**(6,894)**	918	(2,556)
	Cash (used in) / generated from operating activities		**(2,709)**		1,026
	Income tax paid		**(983)**		(1,012)
	Net cash (used in) / generated from operating activities		**(3,692)**		14
B.	**Cash flow from investing activities**				
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	**(892)**		(1,647)	
	Purchase of investments	**-**		(1,041)	
	Investment in subsidiary company	**-**		(290)	
	Proceeds from sale of property, plant and equipment	**11**		21	
	Proceeds from sale of investments	**860**		1,433	
	Interest received on government securities	**-**		14	
	Interest received from banks and others	**100**		72	
	Rental income	**91**		105	
	Investment in fixed deposits	**(142)**		(103)	
	Repayment of loan by subsidiary company	**-**		290	
	Net cash generated from / (used in) investing activities		**28**		(1,146)

(₹ in lacs)

	Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
C.	**Cash flow from financing activities**				
	Finance cost	**(503)**		(100)	
	Finance lease obligation	**-**		(17)	
	Proceeds from current borrowings	**7,486**		3,100	
	Repayment of current borrowings	**(2,913)**		(300)	
	Dividend paid	**(680)**		(680)	
	Dividend distribution tax paid	**(138)**		(138)	
	Net cash generated from financing activities		**3,252**		1,865
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(412)**		733
	Cash and cash equivalents at the beginning of the year		**2,024**		1,291
	Cash and cash equivalents at the end of the year [Refer note 14]		**1,612**		2,024
	***Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.**				

Notes to the cash flow statement

a) Components of cash and cash equivalents:

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Cash on hand	**6**	4
Cheques on hand	**1,163**	1,102
Balances with banks in current accounts	**443**	918
Total	**1,612**	2,024

The accompanying notes 1 to 58 are an integral part of the financial statements.

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
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Nikhilesh Nagar
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V.M. Bhide
Head - Corp. Admin., Legal & Company Secretary

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

Particulars	Notes	Number of shares	(₹ in lacs)
Issued, subscribed and paid up:			
As at 1 April 2016		13,598,467	1,360
Changes in equity share capital	19	-	-
As at 31 March 2017		13,598,467	1,360
Changes in equity share capital	19	-	-
As at 31 March 2018		**13,598,467**	**1,360**

B. Other equity

(₹ in lacs)

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2016	13,774	223	7,386	21,383
Net profit for the year	-	-	1,812	1,812
Other comprehensive income for the year	-	-	3	3
Total comprehensive income for the year	13,774	223	9,201	23,198
Equity dividend including tax theron	-	-	(818)	(818)
Balance as at 31 March 2017	13,774	223	8,383	22,380
Net profit for the year	-	-	1,856	1,856
Other comprehensive income for the year	-	-	(7)	(7)
Total comprehensive income for the year	13,774	223	10,232	24,229
Amount transfer from retained earnings	187	-	-	187
Amount transfer to general reserve	-	-	(187)	(187)
Equity dividend including taxes theron	-	-	(818)	(818)
Closing balance as at 31 March 2018	**13,961**	**223**	**9,227**	**23,411**

The accompanying notes 1 to 58 are an integral part of the financial statements.

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
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Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

Note 1 - Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

I. Background of the Company

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

The separate financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 30 May 2018.

II. Significant Accounting Policies followed by the Company

(a) Basis of Preparation

The Company has prepared its separate financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS Financial Statements of the Company. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date and therefore balances for the comparative period have been restated accordingly. As per Ind AS 101, the Company has presented a reconciliation of its transition from Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 56 for detailed information on the transition.

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

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

(b) Critical estimates and judgements

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

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

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

Useful lives of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgement is involved in arriving at the deferred tax assets and liabilities, which is based on the Company's current operations and projections for the future.

Defined benefit obligation

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

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

Freehold Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical costs are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of tangible 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.

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(d) Intangible Assets (including intangibles under development)

Intangible assets relating to product development are recorded at actual cost incurred on the development of products and are capitalised once the products receive approval from the relevant authorities and the same are carried at cost less accumulated amortisation.

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(e) Investment properties

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment properties recgnised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Investment properties.

(f) Investment in subsidiaries

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

Refer to note 6 for the list of investments.

(g) Impairment of non-financial assets

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

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.

(h) Investments and financial assets

Classification

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

(i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those measured at amortised cost.

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

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

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

Measurement

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

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

Measurement of debt instruments

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

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

(i) **Amortised cost :** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit & loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) **Fair value through other comprehensive income (FVTOCI) :** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) **Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

(i) The Company has transferred the rights to receive cash flows from the financial asset or,

(ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

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

(i) Borrowings and other financial liabilities

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

(j) 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 materials, packing materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Revenue Recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, value added taxes, goods and service tax and applicable taxes which are collected on behalf of the government or on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below:

(i) 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.

(ii) Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export from India scheme (MEIS) are accounted in the year of export as export incentives.

(iii) 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 and goods & service tax.

(iv) 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.

(l) Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend is recognised in the statement of profit & loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(m) 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 were made to Ador Welding Limited Administrative Staff Provident Fund Trust administered by the Company. The Company's liability was actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses / gains were recognised in the statement of other comprehensive income in the year in which they arise. However, with effect from November 2016 the Company had discontinued contribution to Ador Welding Limited Administrative Staff Provident Fund Trust and had started contributing to the regulatory authorities.

Gratuity fund: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gain / loss arising on the measurement of defined benefit obligation is credited / charged to other comprehensive income.

Superannuation fund: Contribution towards superannuation fund for certain employees is made to Ador Welding Employees Superannuation Fund Trust administered by the Company. The benefit is classified as a "defined contribution scheme" as the Company does not carry any further obligation, apart from the contribution made on a monthly basis.

Employees state insurance scheme: The Company makes contribution to state plans namely Employees State Insurance Scheme and has no further obligation beyond making the payment to them.

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

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

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

(n) Income tax

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

(i) Current Income tax

The current income tax includes income tax payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company operates. Advance taxes and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(ii) Deferred income tax

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(o) Leases

As a Lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit & loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in other income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(p) Foreign Currency Transactions

The functional and presentation currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(q) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

(r) Earnings per share

Basic earning per share is computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing net profit after tax (excluding other comprehensive income) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(s) 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.

(t) Research & Development

Revenue expenditure on research & development (including overheads) are charged out as expense in the year in which they are incurred. Expenditure of a capital nature on research & development is debited to respective fixed assets and depreciation is provided on such assets, as are depreciable.

(u) Standard issued but not yet effective

Ind AS 115

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Company from 1 April 2018. The Company is currently assessing the potential impact of this amendment.

Appendix B of Ind AS 21

This appendix is for determining the date of transaction where the entity has received / paid any foreign currency advances. This appendix states that the date of transaction shall be the date on which such advance is received or paid. Therefore, these non-monetary advances will not be restated at the time of their adjustment against the particular transaction. The Company is currently assessing the potential impact of this amendment.

Note 2 - Property, plant and equipment

(₹ in lacs)

Description	Freehold land	Leasehold land [Refer note a below]	Buildings [Refer note b below]	Ownership premises	Plant and equip-ments (including computers)	Electrical installations	Furniture and fixtures	Office equipments	Vehicles	Temporary shed	Leased assets - vehicles	Research & development assets: Land - freehold	Research & development assets: Buildings	Research & development assets: Plant and equipments (including computers)	Research & development assets: Furniture and fixtures	Research & development assets: Air conditioners	Total
Gross carrying value																	
As at 1 April 2016	144	37	5,907	232	12,731	1,004	815	209	256	3	100	34	127	615	4	7	**22,225**
Additions	-	-	289	14	706	47	50	19	126	-	-	-	-	92	-	-	**1,343**
Adjustments	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1)**
Deductions	-	-	-	-	197	-	12	8	39	-	55	-	-	-	-	-	**311**
As at 31 March 2017	144	36	6,196	246	13,240	1,051	853	220	343	3	45	34	127	707	4	7	**23,256**
Additions	-	-	533	16	293	97	100	8	37	-	-	-	-	43	-	-	**1,127**
Adjustments	-	(1)	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	**(4)**
Deductions	-	-	12	-	93	30	160	28	24	-	45	-	-	4	-	-	**396**
As at 31 March 2018	**144**	**35**	**6,717**	**259**	**13,440**	**1,118**	**793**	**200**	**356**	**3**	**-**	**34**	**127**	**746**	**4**	**7**	**23,983**
Accumulated depreciation																	
As at 1 April 2016	-	1	1,425	63	9,833	642	550	154	111	3	82	-	88	419	0*	3	**13,374**
Depreciation charge	-	-	184	4	642	79	54	23	31	-	16	-	1	21	-	1	**1,056**
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Deductions	-	-	-	-	180	-	11	8	34	-	55	-	-	-	-	-	**288**
As at 31 March 2017	-	1	1,609	67	10,295	721	593	169	108	3	43	-	89	440	-	4	**14,142**
Depreciation charge	-	-	197	4	547	64	54	18	38	-	0*	-	1	27	-	1	**951**
Adjustments	-	-	-	(1)	-	-	-	-	-	-	1	-	-	-	-	-	**-**
Deductions	-	-	2	-	85	24	147	25	19	-	44	-	-	3	-	-	**349**
As at 31 March 2018	**-**	**1**	**1,804**	**70**	**10,757**	**761**	**500**	**162**	**127**	**3**	**-**	**-**	**90**	**464**	**-**	**5**	**14,744**
Net carrying value																	
As at 1 April 2016	144	36	4,482	169	2,898	362	265	55	145	-	18	34	39	196	4	4	**8,851**
As at 31 March 2017	144	35	4,587	179	2,945	330	260	51	235	-	2	34	38	267	4	3	**9,114**
As at 31 March 2018	**144**	**34**	**4,913**	**189**	**2,683**	**357**	**293**	**38**	**229**	**-**	**-**	**34**	**37**	**282**	**4**	**2**	**9,239**

Note:-

(a) Leasehold land includes land Rs. 36.92 lacs (net of amortisation Rs. 36.44 lacs) acquired by the Company on a co-ownership/lease basis for which conveyance deed is yet to be executed.

(b) Includes:

(i) Rs. 0.01 lac being the aggregate value of shares in Co-operative housing societies.

(ii) Rs. 4.17 lacs for tenements in an association of apartment owners.

* Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company

Note 3 - Capital work in progress (₹ in lacs)

Particulars	Total
As at 1 April 2016	136
As at 31 March 2017	380
As at 31 March 2018	**75**

Note 4 - Investment Property (₹ in lacs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value					
As at 1 April 2016	49	10	1,236	79	1,374
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2017	49	10	1,236	79	1,374
Additions	-	-	-	-	-
Adjustments	-	-	-	3	3
Deductions	-	-	-	-	-
As at 31 March 2018	**49**	**10**	**1,236**	**82**	**1,377**
Accumulated depreciation					
As at 1 April 2016	-	1	383	25	409
Depreciation charge	-	-	24	1	25
Adjustments	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2017	-	1	407	26	434
Depreciation charge	-	-	24	1	25
Adjustments	-	-	-	1	1
Deductions	-	-	-	-	-
As at 31 March 2018	**-**	**1**	**431**	**28**	**460**
Net carrying value					
As at 1 April 2016	49	9	853	54	965
As at 31 March 2017	49	9	829	53	940
As at 31 March 2018	**49**	**9**	**805**	**54**	**917**

Note :

(a) Fair Value of Investment properties: (₹ in lacs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 1 April 2016	400	2,911	1,553	847	5,711
As at 31 March 2017	376	2,756	1,503	803	5,438
As at 31 March 2018	427	3,217	1,483	889	6,016

Estimation of fair value

The fair valuation is based on current prices in the active market of similar properties. The main inputs used for valuation are quantum, area, location, demand, quality of construction, age of building and trend of fair market etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is based on comparable sales approach. The fair value measurement is categorised in level 2 of fair value hierarchy.

(b) **Information regarding income and expenditure of Investment property :** **(₹ in lacs)**

Particulars	**Year ended 31 March 2018**	Year ended 31 March 2017
Rental income derived from investment properties	**103**	114
Direct operating expenses (including repairs and maintenance)for properties generating rental income	**5**	6
Direct operating expenses (including repairs and maintenance) for properties that did not generate rental income	**16**	14
Profit arising from investment properties before depreciation	**82**	94
Less: Depreciation	**25**	25
Profit arising from investment properties	**57**	69

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

Note 5 - Intangible assets **(₹ in lacs)**

Description	**Computer Software**	**Total**
Gross carrying value		
As at 1 April 2016	465	465
Additions	38	38
Adjustments	-	-
Deductions	-	-
As at 31 March 2017	503	503
Additions	43	43
Adjustments	-	-
Deductions	2	2
As at 31 March 2018	**544**	**544**
Accumulated amortisation		
As at 1 April 2016	407	407
Amortisation charge	41	41
Adjustments	-	-
Deductions	-	-
As at 31 March 2017	448	448
Amortisation charge	32	32
Adjustments	-	-
Deductions	2	2
As at 31 March 2018	478	478
Net carrying value		
As at 1 April 2016	58	58
As at 31 March 2017	55	55
As at 31 March 2018	**66**	**66**

Note 6 - Non-current investments

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(A) Investment in unquoted equity shares measured at cost			
Investment in subsidiary company :			
Ador Welding Academy Private Limited 3,000,000 (31 March 2017: 3,000,000 , 1 April 2016: 100,000) equity shares of Rs.10 each [Refer note (a) below]	**353**	353	75
(B) Investment in unquoted equity shares measured at fair value through profit and loss			
Plasma Laser Technologies Limited 261,105 (31 March 2017: 261,105 ,1 April 2016: 261,105) Series A Preferred shares of NIS 1 each	**927**	927	927
Less: Provision for diminution in the value of investments [Refer note (b) below]	**927**	927	927
	-	-	-
(C) Investment in unquoted government securities measured at amortised cost			
Rural Electrification Corporation Limited tax free secured redeemable non convertible bonds	**-**	-	184
Total	**353**	353	259
Aggregate amount of unquoted investments	**1,280**	1,280	1,186
Aggregate amount of impairment in value of investments	**927**	927	927

Notes:

(a) 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 lacs equity shares of Rs. 10 each at par, aggregating to Rs. 290 lacs in the ratio of 290 equity shares for every share held as on 28 April 2016. Further, the Company had resolved to subscribe to the rights issue of 29 lacs equity shares of AWAPL of Rs. 10 each at par, aggregating to Rs. 290 lacs in their Board meeting held on 10 May 2016, which had been subscribed on 23 May 2016 and said shares were issued during the financial year 2016-17.

(b) Investment in Plasma Laser Technologies Limited (PLT)-
The Company has an investment of Rs. 927 lacs (Previous year Rs. 927 lacs) in PLT, PLT had incurred losses since the date of acquisition, the accumulated losses of PLT as at 31 March 2014 exceeded its net worth. The Company had 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, had recognised a provision for diminution in the value of investment in PLT as at 31 March 2014 amounting to Rs. 927 lacs .

Note 7 - Non-current loans

Unsecured, considered good (unless otherwise stated)

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposit	**142**	157	151
Loan to related parties [Refer note (a) below]	**-**	-	30
Loan to employees	**7**	8	22
Export incentive receivable	**-**	383	260
Total	**149**	548	463

Note:

(a) Disclosure as per clause 53(f) of Securities and Exchange Board of India (Listing obligations and disclosures requirements) regulations, 2015:

Name of Company	Relationship	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	Maximum balance outstanding during the year 2017-18	Maximum balance outstanding during the year 2016-17*	Investment by the Loanee in the shares of holding Company
		(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	No. of shares
Ador Welding Academy Private Limited [Refer note 6(a)]	Wholly Owned subsidiary	-	-	290	-	290	Nil

* Loans and advances in the nature of loan to subsidiary was given for the purpose of carrying business operations, out of above Rs. 290 lacs, Rs. 260 lacs was interest free.

Note 8 - Other non-current financial assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed deposits for bank guarantees	**348**	207	104
Total	**348**	207	104

Note 9 - Non-current tax assets (Net) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax [Refer note (a) below]	**337**	260	144
Total	**337**	260	144

Note:

(a) Advance payment against tax is after year wise set-off against provision for taxation of Rs. 3,532 lacs (31 March 2017: Rs. 3,707 lacs, 1 April 2016: Rs. 3,491 lacs).

Note 10 - Other non-current assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances [Refer note (a) below]	**118**	69	126
Prepaid expenses	**19**	24	4
Balances with government authorities	**2,063**	1,834	1,748
Total	**2,200**	1,927	1,878

Note:

(a) Capital advances include: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Land at Silvassa	**104**	26	26
Factory building and road construction at Chinchwad plant	**-**	40	20
Plant and equipments	**14**	3	80
Total	**118**	69	126

Note 11 - Inventories

(Valued at lower of cost and net realisable value) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials and components and packing material	**2,241**	1,257	1,418
Work-in-progress	**799**	617	590
Finished goods*	**1,948**	2,467	1,925
Stock-in-trade	**113**	161	165
Stores, spares, parts, scrap etc.	**270**	244	201
Right to receive inventory	**13**	29	88
Total	**5,384**	4,775	4,387

*includes provision of excise duty on finished goods amounting to Rs. Nil (31 March 2017: Rs. 534 lacs, 1 April 2016: Rs. 377 lacs).

Note 12 - Current Investments **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets classified and measured at fair value through profit or loss			
(A) Investment in mutual funds (Unquoted)			
Birla sunlife short term fund - direct plan - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 569,673.976 units of Rs. 10 each)	**-**	-	325
Birla sunlife savings fund - direct plan - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 65,494.770 units of Rs. 100 each)	**-**	-	192
Kotak low duration fund - standard growth - regular plan (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 2,340.550 units of Rs. 100 each)	**-**	-	43
Reliance medium term fund - direct growth plan - growth option (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 326,166.37 units of Rs. 10 each)	**-**	-	103
Religare invesco fixed maturity plan - series XVIII - plan C - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 2,000,000 units of Rs. 10 each)	**-**	-	256
Tata short term bond fund regular plan A - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 855,271.035 units of Rs. 10 each)	**-**	-	241
Birla sunlife balanced 95 fund - growth - direct plan (31 March 2018: 3884.159 units, 31 March 2017: 3884.159 units, 1 April 2016: Nil of Rs. 100 each)	**30**	28	-

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Birla sunlife dynamic bond fund - retail - growth - direct plan	**-**	144	-
(31 March 2018: Nil, 31 March 2017: 4,95,623.643 units , 1 April 2016: Nil of Rs. 10 each)			
Birla sunlife balanced 95 fund - growth - regular plan	**27**	25	-
(31 March 2018: 3,680.059 units, 31 March 2017: 3,680.059 units , 1 April 2016: Nil of Rs. 100 each)			
DSP blackrock balanced fund - direct plan - growth	**18**	17	-
(31 March 2018: 12,209.416 units, 31 March 2017: 12,209.416 units , 1 April 2016: Nil of Rs. 100 each)			
DSP blackrock liquidity fund - direct plan - growth	**-**	200	-
(31 March 2018: Nil, 31 March 2017: 8,601.498 units, 1 April 2016: Nil of Rs. 100 each)			
DSP blackrock balanced fund - regular plan - growth	**41**	38	-
(31 March 2018: 28,696.993 units, 31 March 2017: 28,696.993 units , 1 April 2016: Nil of Rs. 100 each)			
Franklin India balanced fund - growth	**6**	6	-
(31 March 2018: 5,430.881 units, 31 March 2017: 5,430.881 units , 1 April 2016: Nil of Rs. 10 each)			
HDFC balanced fund - regular plan - growth	**55**	49	-
(31 March 2018: 37,601.995, 31 March 2017: 37,601.995 units , 1 April 2016: Nil of Rs. 100 each)			
HDFC banking & PSU debt fund - regular plan - growth	**-**	237	-
(31 March 2018: Nil, 31 March 2017: 1,798,561.151 units , 1 April 2016: Nil of Rs. 10 each)			
HDFC high interest fund- dynamic plan - regular plan - growth	**-**	48	-
(31 March 2018: Nil, 31 March 2017: 85,942.845 units , 1 April 2016: Nil of Rs. 10 each)			
ICICI prudential balanced fund - growth	**67**	61	-
(31 March 2018: 53,322.947 units, 31 March 2017: 53,322.947 units , 1 April 2016: Nil of Rs. 10 each)			
Reliance short term fund - growth plan - growth option	**-**	112	-
(31 March 2018: Nil, 31 March 2017: 363,280.856 units , 1 April 2016: Nil of Rs. 10 each)			
Investment in mutual funds	**244**	965	1,160

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(B) Investment in debentures (Quoted)			
JM financial services limited			
(31 March 2018: Nil, 31 March 2017: 10 units, 1 April 2016: Nil) (Secured, redeemable non-convertible debentures of Rs 10 lacs each fully paid up)	**-**	100	-
Investment in debentures	**-**	100	-
Total	**244**	1,065	1,160
Aggregate market value of unquoted investments	**244**	965	1,160
Aggregate book and market value of quoted investments	**-**	100	-

Note 13 - Trade receivables (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured, considered good [Refer note (a) below]	**396**	363	321
Unsecured, considered good [Refer note (b) below]	**8,808**	7,270	11,496
Unsecured, considered doubtful	**196**	193	200
Less : Provision for doubtful debts	**(196)**	(193)	(200)
Total	**9,204**	7,633	11,817

includes amount due by Private Company in which Director / officer is a director *	**13**	6	0

Notes:

(a) Secured by letter of credit

(b) Includes an amount of Rs. 307 lacs (31 March 2017: Rs. 333 lacs, 1 April 2016: Rs. 320 lacs) on account of retention money of Project engineering business division.

* Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company

Note 14 - Cash and cash equivalents (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	**6**	4	1
Cheques on hand	**1,163**	1,102	994
Balances with banks in current accounts	**443**	918	296
Total	**1,612**	2,024	1,291

Note 15 - Other bank balances **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Earmarked balances with banks [Refer note (a) below]	125	124	117
Deposits with maturity of more than three months but less than twelve months	6	5	5
Total	131	129	122

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2018.

Note 16 - Current loans

Unsecured, considered good (unless otherwise stated) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	81	77	57
Loan to related parties	-	-	247
Loans and advances to employees	29	25	20
Duty entitlement on hand	178	-	-
Export incentive receivable	111	-	-
Others	9	4	4
Total	408	106	328

Note 17 - Other current financial assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unbilled revenue on construction contracts [Refer note 30]	11,290	7,495	1,218
Interest accrued but not due on fixed deposits	5	10	16
Measurement of derivative contract at marked to market*	0	6	8
Other receivables			
(a) from related parties	17	-	-
(b) from others	43	35	44
Total	11,355	7,546	1,286

*Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.

Note 18 - Other current assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance to suppliers	855	808	474
Prepaid expenses	108	100	61
Balances with GST authorities	60	-	-
Total	1,023	908	535

Note 19 - Equity share capital

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised shares 30,000,000 (31 March 2017: 30,000,000; 1 April 2016: 30,000,000) equity shares of Rs. 10 each	**3,000**	3,000	3,000
Issued, subscribed and fully paid-up shares 13,598,467 (31 March 2017: 13,598,467; 1 April 2016: 13,598,467) equity shares of Rs. 10 each fully paid up	**1,360**	1,360	1,360
Total	**1,360**	1,360	1,360

Note 19 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
Equity shares						
Shares outstanding at the beginning of the year	**13,598,467**	**1,360**	13,598,467	1,360	13,598,467	1,360
Add: Shares issued during the year	**-**	**-**	-	-	-	-
Shares outstanding at the end of the year	**13,598,467**	**1,360**	13,598,467	1,360	13,598,467	1,360

Note 19 b- Rights, preferences and restrictions

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

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

Note 19 c- Shares held by holding Company

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	No. of shares	No. of shares	No. of shares
Equity shares of Rs. 10 each J.B.Advani & Co. Private Limited	**6,800,531**	6,800,531	6,800,531

Note 19 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs. 10 each						
J.B.Advani & Co. Private Limited	**6,800,531**	**50.01%**	6,800,531	50.01%	6,800,531	50.01%
Reliance Capital Trustee Co. Limited	**914,424**	**6.72%**	1,167,129	8.58%	991,605	7.29%
Sundaram Mutual Fund	**627,258**	**4.61%**	831,535	6.11%	831,535	6.11%
Total	**8,342,213**	**61.34%**	8,799,195	64.70%	8,623,671	63.41%

Note 19 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 2018.

Note 20 - Other equity **(₹ in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
General reserve [Refer note (a) below]	**13,961**	13,774	13,774
Capital redemption reserve account [Refer note (b) below]	**223**	223	223
Retained earnings [Refer note (c) below]	**9,227**	8,383	7,386
Total	**23,411**	22,380	21,383

Notes :

(a) General reserve* **(₹ in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Balance at the beginning of the year	**13,774**	13,774
Add: Transfer from retained earnings	**187**	-
Balance at the end of the year	**13,961**	13,774

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

(b) Capital redemption reserve account** **(₹. in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Balance at the beginning of the year	**223**	223
Transaction during the year	**-**	-
Balance at the end of the year	**223**	223

**The reserve was created on during buy back of equity shares and it is a non- distributable reserves.

(c) Retained earnings*** **(₹. in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017
Balance at the beginning of the year	**8,383**	7,386
Transaction during the year		
Add: Net profit / (loss) for the year	**1,856**	1,812
Add: Other comprehensive income for the year	**(7)**	3
Less : Transfer to general reserve	**(187)**	-
Less: Equity dividend [Refer note (c)(i) below]	**(680)**	(680)
Less: Tax on equity dividend	**(138)**	(138)
Balance at the end of the year	**9,227**	8,383

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

Note:

(i) The Board has recommended equity dividend of Rs. 5 per share (previous year Rs. 5 per equity share) for the financial year 2017-18. [Refer note 51]

Note 21 - Other non-current financial liabilities (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Rent deposit	**11**	30	19
Deposit from trainees / employees	**8**	3	9
Total	**19**	33	28

Note 22 - Provisions (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity [Refer note 46-II (a)]	**145**	117	89
Compensated absences (Refer note 46-III)	**95**	86	83
Total	**240**	203	172

Note 23 - Deferred tax liabilities (net) (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	**877**	842	817
Capital expenditure for scientific research	**115**	108	84
Financial asset measured at FVTPL	**-**	6	48
Reversal of provision on compensated absences	**17**	-	-
	1,009	956	949
Deferred tax assets on account of:			
Measurement of derivative contract at marked to market	**-**	4	-
Employee benefits	**114**	119	117
Voluntary retirement scheme	**1**	3	4
Disallowances u/s 43B	**84**	80	82
Deferment of revenue	**4**	6	16
	203	212	219
Net deferred tax liabilities	**806**	744	730

Note 24 - Other non-current liabilities (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income	**3**	3	7
Total	**3**	3	7

Note 25 - Borrowings **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
From banks			
Working capital loan repayable on demand (Refer note (a) and (b) below)	**5,900**	2,500	-
Export packing credit facility (Refer note (a) and (b) below)	**600**	300	-
Cash credit facility availed from bank (Refer note (a) and (b) below)	**986**	-	-
Unsecured			
Liability on account of bills discounting	**634**	747	266
Total	**8,120**	3,547	266

Notes:

(a) Working capital loan, export packing credit facility and cash 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) Working capital loan, export packing credit facility, cash credit facility are secured by way of

1. First pari passu charge on current assets of the Company, and

2. Exclusive charge on Raipur Manufacturing facility situated at Bilaspur Road, Industrial Estate, Raipur - 493 221, Chattisgarh (movable and non movable fixed assets) of the Company.

   Hypothecation (on current asset of the borrower and movable fixed assets of the borrower at Raipur facility) to be created upfront.

   Charge perfection within 90 days of from date of 1st Utilisation of WC limits. Mortgage creation and perfection on Raipur facility within 90 days of 1st Utilisation of WC limits. Letter of Undertaking for Buyer's Credit (LUT) shall be unsecured facility.

(c) Guarantees given by bank to third parties amounting to Rs. 2,281 lacs (31 March 2017: Rs. 2,558 lacs, 1 April 2016: Rs. 1,198 lacs) on behalf of the Company are secured against securities mentioned in (a) above.

Note 26 - Trade payables **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to micro, small and medium enterprises [Refer note (a) below]	**27**	20	104
Dues to other than micro, small and medium enterprises	**7,459**	7,252	7,670
Total	**7,486**	7,272	7,774

Note:

(a) The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said Act is as under:

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**27**	20	104
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0***	0*	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	**-**	-	-

This information has been given in respect of such vendors to the extent they could be identified as Micro & Small enterprises on the basis of information available with the Company.

*Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company.

Note 27 - Other current financial liabilities **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current Maturities of finance lease obligations*	**-**	0*	17
Deposits:			
(a) Rent deposits	**21**	1	9
(b) From distributors	**150**	143	141
(c) From others	**12**	63	11
Employee benefits payable	**135**	132	126
Unclaimed dividend	**125**	124	117
Creditors for capital goods	**50**	46	27
Provision for expenses [Refer note (a) below]	**259**	341	449
Others	**102**	93	130
Total	**854**	943	1,027

Note:

(a) Provision for expenses includes : (₹ in lacs)

Particulars	As at 1 April 2017	Utilised during the year	Provision for the year	Unused / reversed amount	As at 31 March 2018
PEB project expenditure	2	2	-	-	**-**
Variable incentive pay	75	63	25	12	**25**
Bonus and commission payable to directors	67	67	71	-	**71**
Electricity expenses	10	10	11	-	**11**
Freight expenses	98	98	46	-	**46**
Legal and professional fees	5	5	9	-	**9**
Other expenses	84	72	97	12	**97**
Total	341	317	259	24	**259**

*Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.

Note 28 - Other current liabilities (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances received from distributors on behalf of customers	**19**	13	34
Advances received from customers**	**346**	629	285
Statutory dues	**56**	82	108
Liability for Goods & Service Tax	**129**	-	-
Advance Income	**3**	2	3
Total	**553**	726	430

** Includes an amount of ₹ 276 lacs (31 March 2017: ₹ 521 lacs, 1 April 2016: ₹ 201 lacs) on account of Project Engineering Division.

Note 29 - Provisions (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Provision for Compensated Absences (Refer note 46 - III)	**85**	141	136
Others			
Provision for excise duty on finished goods stock	**-**	534	377
Provision for warranties [refer note (a) below]	**63**	64	49
Provision for wealth tax	**-**	3	6
Provision for sales return	**47**	39	39
Total	**195**	781	607

Note:

(a) Provision of ₹ 63 lacs (31 March 2017: ₹ 64 lacs, 1 April 2016: ₹ 49 lacs) 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 next financial year.

Note 30 - Revenue from operations (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of goods:		
Domestic	**36,395**	38,280
Export	**9,527**	9,237
Sale of services	**417**	414
Other operating revenue :		
Sale of scraps and others	**132**	152
Total	**46,471**	48,083

Note:

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(i) Contract revenue recognised for the year	**7,578**	8,697
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	**15,203**	8,976
(iii) Amount of customer advances outstanding for contracts in progress [Refer note 28]	**276**	521
(iv) Amount of retentions due from customers for contracts in progress [Refer note 13]	**307**	333
(v) Amount due from customers [Refer note 17]	**11,290**	7,495

Note 31 - Other income (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial asset measured at amortised cost		
(i) Government securities	**-**	14
(ii) Fixed deposits with banks	**24**	15
(iii) Overdue amount from customers	**64**	46
(iv) Others	**11**	13
Realised gain on financial assets measured at FVTPL	**22**	236
Rent received [Refer note 44]	**103**	114
Duty drawback and export incentive	**208**	126
Insurance recovered (net of expense)	**42**	41
Profit on sale of fixed assets	**2**	-
Foreign currency fluctuation gain (net)	**324**	164
Provisions / liabilities no longer required now written back	**60**	93
Fair value change of financial asset measured at FVTPL	**17**	-
Miscellaneous income	**94**	76
Total	**971**	938

Note 32 - Cost of materials consumed (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock	**1,257**	1,418
Add: Purchases	**33,144**	30,435
Less: Closing stock	**(2,241)**	(1,257)
Total	**32,160**	30,596

Note 33 - Purchase of stock-in-trade **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Welding products	**285**	304
Welding accessories	**409**	595
Total	**694**	899

Note 34 - Changes in inventories of finished goods, stock-in-trade and work-in-progress **(₹ in lacs)**

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
At the beginning of the Year				
Finished goods	**2,496**		2,013	
Stock-in-trade	**161**		165	
Work-in-progress	**617**	**3,274**	590	2,768
At the end of the Year				
Finished goods	**1,961**		2,496	
Stock-in-trade	**113**		161	
Work-in-progress	**799**	**2,873**	617	3,274
Add / (less): Variation in excise duty on opening and closing stock of finished goods		**(534)**		157
Total		**(133)**		(349)

Note 35 - Employee benefits expenses **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	**3,190**	3,298
Contribution to provident and other funds [Refer note 46-I]	**175**	162
Contribution to gratuity [Refer note 46-II (a)]	**37**	33
Staff welfare expenses	**429**	427
Total	**3,831**	3,920

Note 36 - Finance costs **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on:		
Bill discounting of invoices	**57**	54
Finance lease obligation	**-**	1
Others	**8**	4
Other borrowing costs	**465**	45
Total	**530**	104

Note 37 - Other expenses **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Manufacturing and other expenses [Refer note 37(a)]	**2,509**	2,523
Electricity expenses	**21**	23
Rent [Refer note 42]	**118**	128
Freight	**561**	454
Legal and professional fees	**240**	237
Insurance	**25**	20
Repairs and maintenance - others	**124**	150
Travelling, conveyance and vehicle expenses	**688**	695
Directors fees	**5**	5
Telephone, postage and telegram	**183**	197
Rates and taxes	**63**	54
Advertisement and sales promotion expenses	**86**	89
Commission	**11**	20
Bad debts written off (net of reversal of provision for doubtful debts-31 March 2018: Nil, 31 March 2017: ₹ 47 lacs)	**29**	8
Provision for doubtful debts	**3**	41
Loss on sale of fixed assets (net)	**-**	2
Loss on measurement of Financial asset at FVTPL	**-**	123
Assets written off / discarded	**11**	1
Printing and stationery	**72**	71
Auditors remuneration [Refer note 37(b)]	**29**	28
Corporate social responsibility [Refer note 57]	**33**	41
Selling and distribution incentive	**192**	216
Bank charges	**90**	102
Loss due to fire*	**99**	-
Miscellaneous expenses	**638**	843
Total	**5,830**	6,071

*There was a fire at Silvassa plant on 16 February 2018. The Company suffered a loss of Rs. 99 lacs on account of damage of Inventory, Property, Plant and Equipments and other incidental expenses, which was fully insured. The management has lodged a claim for the same with the insurance company.

Note 37(a) - Manufacturing and other expenses **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores, spare parts and scraps	**585**	536
Power and fuel	**882**	868
Repairs to machinery	**63**	95
Repairs to building	**11**	27
Other manufacturing expenses	**968**	997
Total	**2,509**	2,523

Note 37(b) - Auditors remuneration (excluding tax) **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Statutory audit fees	**13**	13
Tax audit fees	**5**	5
Certification and other matters	**9**	8
Reimbursement of out of pocket expenses	**2**	2
Total	**29**	28

Note 38 - Tax expense **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current tax for the year	**880**	915
Additional/(Reversal) of provision for earlier years	**23**	(19)
	903	896
Deferred tax		
Change in deferred tax assets	**2**	11
Change in deferred tax liabilities	**64**	1
	66	12
Total	**969**	908

Note :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2018 and 31 March 2017:

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax as per books	**2,825**	2,720
Applicable income tax rate	**34.61%**	34.61%
Estimated income tax expenses	**978**	941
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income:		
Actuarial gains on defined benefit obligations	**4**	(2)
Depreciation	**7**	12
Assets written off	**14**	8
Disallowance u/s 43B	**12**	14
Disallowance u/s 36(1)(vii)	**-**	(2)
Deduction u/s 35(2AB)	**(69)**	(8)
Deduction u/s 35DDA	**(1)**	(1)
Permanent disallowances	**11**	14
Tax in respect of earlier years	**23**	(19)
Financial assets measured at fair value through profit and loss	**(12)**	(2)
Income exempted from income taxes	**-**	(47)
Other items*	**2**	0
Reported income tax expenses	**969**	908

*Amount below ₹ 0.49 lac has been rounded off, as per norms of the Company.

Note 39 - Other comprehensive income **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Items that will not be reclassified to profit or loss		
Actuarial gains on defined benefit obligations	**(11)**	5
Income tax effect on above	**4**	(2)
Total	**(7)**	3

Note 40 - Contingent Liabilities not provided for : **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2018: Rs 392 lacs; 31 March 2017: Rs 46 lacs; 1 April 2016: Rs 75 lacs)*	**1,077**	251	2,858
b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2018: Rs 91 lacs; 31 March 2017: Rs 2 lacs;1 April 2016: Rs 2 lacs)	**2,385**	23	118
c) Disputed income tax as the matters are in appeal (advance paid 31 March 2018: Rs 13 lacs; 31 March 2017: ₹ 9 lacs)	**63**	63	-
d) Bonds submitted to customs authorities for import of goods under advance license scheme.	**-**	-	76
e) Bank guarantees	**2,281**	2,558	1,198
f) On account of pending C-forms	**842**	1,479	1,693
g) Other matters	**209**	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.

*Disclosed to the extent information is available.

Note 41 - Estimated amount of contracts remaining to be executed **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
On Capital account and not provided for (net of advances)	**339**	299	346

Note 42- 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 and loss during the year is ₹ 118 lacs (31 March 2017: ₹ 128 lacs)

(₹ in lacs)

Particulars	Minimum lease payment	
	As at 31 March 2018	As at 31 March 2017
Amount due within one year	**75**	72
Amount due from one year to five years	**67**	88
Amount due from five years and above	**94**	106
Total	**236**	266

Note 43- Lease arrangements - Finance lease

Net carrying amount of carrying asset as at balance sheet date – ₹ Nil lacs (31 March 2017: ₹ 2 lacs, 1 April 2016: ₹ 18 lacs) . The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(₹ in lacs)

Particulars	**As at 31 March 2018**	As at 31 March 2017
Minimum lease rentals payable as at balance sheet date**	-	0*
Present value of minimum lease rentals payable **	-	0*

(₹ in lacs)

Particulars	**Minimum lease payment**		**Present value of minimum lease payments**	
	As at 31 March 2018	As at 31 March 2017	**As at 31 March 2018**	As at 31 March 2017
Amount due within one year	-	0*	-	0*
Amount due from one year to five years	-	-	-	-
Amount due from five years and above	-	-	-	-
Total	-	0	-	0

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company

** Includes interest on lease rentals

Note 44- Lease rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is ₹ 103 lacs (31 March 2017: ₹ 114 lacs).

(₹ in lacs)

Particulars	**Minimum lease payment**	
	As at 31 March 2018	As at 31 March 2017
Amount due within one year	68	100
Amount due from one year to five years	104	149
Amount due from five years and above	46	71
Total	**218**	320

Note 45- 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 46 - Employee benefits

As per Indian Accounting Standard-19 ‘Employee Benefits’, the disclosure of Employee benefits as defined in the Standard are given below:

Brief description of the plans:

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

I. Defined Contribution Plan:

(i) Superannuation fund
(ii) Provident fund
(iii) Employees State Insurance fund

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

Contribution to Defined Contribution Plan, recognized as expense for the year are as under: **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Employer's Contribution to Superannuation	**38**	36
Employer's Contribution to Provident Fund**	**122**	114
Employer's Contribution to Employees state insurance corporation	**15**	12
Total	**175**	162

* included in Note 35- "Employee benefits expenses"
** includes payment made to regulatory authorities other than to Ador Welding Employees Provident Fund Trust.

II. Defined Benefit Plan :

(a) Contribution to Gratuity fund (funded scheme):

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:- **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Actuarial assumptions			
Discount rate (per annum)	**7.50%**	6.85%	7.80%
Salary escalation rate	**8.00%**	6.50%	7.50%
Attrition rate			
21 years to 44 years	**18.22%**	18.45%	18.45%
45 years and above	**8.00%**	12.62%	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 & demand factors in the employment market			
(ii) Assets information:			
The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations.			
(iii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	**286**	262	282
Current service cost	**31**	29	29

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest on defined benefit obligation	**18**	18	20
Remeasurements during the period due to:			
Actuarial loss / (gain) arising from change in financial assumptions	**12**	(1)	(4)
Actuarial loss / (gain) arising on account of experience changes	**(1)**	(4)	(12)
Benefits paid	**(19)**	(18)	(53)
Present Value of obligation at the end of the year	**327**	286	262
(iv) Changes in the Fair value of Plan Assets			
Fair value of plan assets at beginning of the year	**169**	173	202
Interest on plan assets	**12**	14	15
Remeasurements during the period due to:			
Actual return on plan assets less interest on plan assets	**-**	-	(1)
Contributions by employer	**20**	-	10
Benefits paid	**(19)**	(18)	(53)
Fair Value of Plan Assets at the end of the year	**182**	169	173
(v) Assets and liabilities recognised in the balance sheet **			
Present value of the defined benefit obligation at the end of the year	**327**	286	262
Less: Fair value of plan assets at the end of the year	**(182)**	(169)	(173)
Net liability recognised ***	**145**	117	89
Recognised under provisions (Refer note 22)			
Long term provisions	**145**	117	89

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	**31**	29
Interest on net defined benefit liability / (asset)	**6**	4
Net gratuity cost recognised in current year	**37**	33
Included in note 35 'Employee benefits expense'		
(vii) Expenses recognised in the Statement of other comprehensive income		
Remeasurements during the period due to:		
Actuarial loss / (gain) arising from change in financial assumptions	**12**	(1)
Actuarial loss / (gain) arising on account of experience changes	**(1)**	(4)
Net cost recognised in other comprehensive income	**11**	(5)

(viii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	**(2.25%)**	**2.33%**	(2.03%)	2.11%	(2.03%)	2.11%
Impact of decrease in 50 bps on DBO	**2.36%**	**(2.25%)**	2.12%	(2.05%)	2.12%	(2.05%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(ix) Maturity Pattern: **(₹ in lacs)**

Maturity Profile	31 March 2018	31 March 2017
Expected benefits for year 1	**66**	52
Expected benefits for year 2	**103**	61
Expected benefits for year 3	**31**	86
Expected benefits for year 4	**28**	26
Expected benefits for year 5	**27**	23
Expected benefits for year 6	**28**	21
Expected benefits for year 7	**24**	20
Expected benefits for year 8	**40**	16
Expected benefits for year 9	**12**	23
Expected benefits for year 10 and above	**139**	70

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

** Amount have been recognised based on the information for the period ended 28 February 2018, 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 lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Actuarial 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%

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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			
(ii) Assets information:			
Government of India securities	-	-	33.00%
Corporate bonds	-	-	26.00%
Special deposit schemes	-	-	23.00%
Equity shares of listed companies	-	-	0.00%
Others	-	-	19.00%
(iii)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 on obligation	-	-	(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
(iv)Changes in the Fair value of Plan Assets			
Fair value of plan assets at beginning of the year	-	-	1,105
Expected return on plan assets	-	-	87
Actuarial 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
(v) Actual return on plan assets	-	-	23
(vi)Assets and liabilities recognised in the 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)
Net liability / (asset) recognised	-	-	-
Recognised under provisions			
Long term provisions	-	-	-
Short term provisions	-	-	-

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

III. Compensated absences*

(i) An amount of ₹ (48) lacs (31 March 2017: ₹ 14 lacs,1 April 2016: ₹ 50 lacs) has been recognised as an expense in the statement of profit and loss and included under Note 35 "Employee benefits expenses".

(ii) Balance sheet reconciliation

(₹ in lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Long term	Short term	Long term	Short term	Long term	Short term
Liability as per actuarial valuation	**95**	**85**	86	141	83	136

* have been recognised based on the information for the period ended 28 February 2018, 28 February 2017 and 29 February 2016.

Note 47 -Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) List of related parties and relationship:

Relationship	Name of the Person / Company
(i) Holding Company:	J. B. Advani & Co. Private Limited
(ii) 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) Ador Fontech Limited Ador Multiproducts Limited 1908 E-Ventures Pvt. Ltd. JBA Asia Pacific Pte. Ltd. (Singapore)
(iii) Companies in which holding Company has significant influence and associates of the holding Company:	Mack Valves India Private Limited (Indirect subsidiary of J.B. Advani & Co. Private Limited) 3D Future Technologies Systems Pvt. Ltd. Green Line Industrial Systems Pvt. Ltd. Dualrank Fontech (M) Sdn. Bhd (Malaysia)
(iv) Key management personnel:	Ms. A. B. Advani - Executive Chairman Mr. S. M. Bhat - Managing Director Mrs. N. Malkani Nagpal - Whole time Director Mr. R. A. Mirchandani - Director (Non-executive) Mr. A.T. Malkani - Director (Non-executive) Mr. D. A.Lalvani - Director (Non-executive) Mr. M. K. Maheshwari - Director (Independent & Non-executive) Mr. P. K. Gupta - Director (Independent & Non-executive) Mr. R. N. Sapru - Director (Independent & Non-executive) Mr. K. Digvijay Singh - Director (Independent & Non-executive) Mr. G. M. Lalwani - Director (Independent & Non-executive) Mr. S. G. Mirchandani - Director (Independent & Non-executive) Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary Mr. G. A. Patkar - Chief Financial Officer

(II) Transactions during the year: (₹ in lacs)

Relationship / Name of the Related Party	Nature of transactions	Value of the transactions	
		31 March 2018	31 March 2017
a) Holding Company			
J B Advani & Co. Private Limited	Sale of goods (net)	**9**	14
	Purchase of goods and services received	**700**	796
	Rent received (net)	**25**	25
	Reimbursement of expenses (incurred to other companies).	**10**	7
	Recovery of expenses (from other companies).	**17**	14
b) Subsidiary Company and fellow subsidiaries			
Ador Welding Academy Private Limited	Sale of goods (net)	**3**	6
	Purchase of goods and services	**11**	3
	Rent received (net)	**14**	14
	Recovery of expenses	**-**	1
	Interest income*	**-**	0
	Loan repaid by subsidiary	**-**	290
	Investment in equity shares	**-**	290
Ador Powertron Limited	Purchase of goods*	**0**	0
	Recovery of expense (from other companies)	**1**	1
	Rent received (net)	**-**	1
c) Companies in which Holding Company has significant influence and associates of the holding company			
Ador Fontech Limited	Sale of goods (net)	**145**	162
	Purchase of goods*	**0**	11
	Recovery of expenses (from other companies)	**1**	6
	Reimbursement of expenses (incurred to other companies).*	**0**	2
	Rent received (net)	**4**	4
	Sale of fixed assets	**-**	8
Ador Multiproducts Limited	Sale of goods (net)	**-**	39
1908 E-Ventures Pvt. Ltd.	Service received*	**0**	-
d) Key Management Personnel			
Ms. A. B. Advani	Remuneration	**151**	140
Mrs. N. Malkani Nagpal	Remuneration	**107**	99
Mr. S. M. Bhat	Remuneration	**155**	132
Mr. V. M. Bhide	Remuneration	**32**	28
Mr. G. A. Patkar	Remuneration	**27**	25
Directors (Non-executive & Independent and Non-executive directors)	Sitting fees	**5**	5
Independent directors (Non-executive & Independent and Non-executive directors)	Commission	**32**	30

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company

(III) Amount outstanding at the year end: **(₹ in lacs)**

Relationship / Name of the Related Party	Nature	31 March 2018	31 March 2017	1 April 2016
a) Holding Company				
J B Advani & Co. Private Limited	Other receivable *	**8**	-	0
	Trade receivable	**11**	-	-
	Trade payable	**208**	101	110
b) Subsidiary Company and fellow subsidiaries				
Ador Welding Academy Private Limited	Investment in equity shares	**353**	353	75
	Trade receivables	**2**	6	-
	Other receivable*	**8**	-	2
	Trade payable*	**0**	-	-
	Loan	**-**	-	277
Ador Powertron Limited	Other receivables*	**-**	0	-
	Trade receivable*	**0**	-	-
	Trade payable*	**0**	-	-
c) Companies in which Holding Company has significant influence and its associates				
Ador Fontech Limited	Other receivables*	**5**	0	-
Ador Multiproducts Limited	Trade receivable	**3**	3	9
1908 E-Ventures Pvt.Ltd.	Outstanding receivables*	**0**	-	-
d) Key Management Personnel				
Mr. S. M. Bhat	Loan	**-**	4	8

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 lacs (Previous year ₹100 lacs) 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 option 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.

4. Excludes gratuity and compensated absences provided on the basis of acturial valuation on an overall company basis.

   * Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company.

Note 48 - Segment reporting

The Company's chief operating decision maker - Chief Financial Officer examines the Company's performance and has identified two reportable segments of its business:

(i) Consumables

(ii) Equipments and Project Engineering Business

The above operating segments have been identified considering:

(i) The internal financial reporting systems

(ii) The nature of the products / processes

(iii) The organisation structure as well as differential risks and returns of these segments.

Types of products and services in each business segment:

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

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities". Inter-segment transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods.

A) Business segment **(₹ in lacs)**

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017
Segment revenue						
External revenue	**31,129**	31,437	**15,342**	16,646	**46,471**	48,083
Inter segment revenue	**-**	-	**-**	-	**-**	-
Total revenue	**31,129**	31,437	**15,342**	16,646	**46,471**	48,083
Segment result before interest and tax	**4,134**	3,631	**(60)**	291	**4,074**	3,922
Add/(less) :						
Unallocable expenses					**(1,024)**	(1,098)
Interest and finance charges (net)					**(225)**	(104)
Excess/ (short) provision of taxes for earlier years					**(23)**	19
Provision for taxes (net of deferred tax)					**(946)**	(927)
Net profit after tax					**1,856**	1,812
Other information						
Segment assets	**17,202**	15,403	**21,889**	17,415	**39,091**	32,818

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Unallocated assets					3,956	5,174
Total assets					43,047	37,992
Segment liabilities	3,253	3,304	9,854	8,631	13,107	11,935
Unallocated liabilities					5,169	2,317
Total liabilities					18,276	14,252
Capital employed						
Segment wise capital employed	13,949	12,099	12,035	8,784	25,984	20,883
Unallocable corporate assets net of unallocable corporate liabilities					(1,213)	2,857
Total capital employed					24,771	23,740
Capital expenditure						
Segment capital expenditure	799	593	328	654	1,127	1,247
Unallocated capital expenditure					43	134
Total capital expenditure					1,170	1,381
Depreciation and amortisation						
Segment depreciation and amortisation	609	709	330	316	939	1,025
Unallocated depreciation and amortisation					69	97
Total depreciation and amortisation					1,008	1,122
Significant non cash expenditure						
Segment significant non cash expenditure	-	1	9	-	9	1
Unallocated significant non cash expenditure					2	-
Total significant non cash expenditure					11	1

B) Geographical segment

Revenue from external customers **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Domestic	36,800	38,479
Overseas		
Kuwait	4,898	5,547
Other countries	4,773	4,057
Total	46,471	48,083

Domestic Segment includes sales to customers located in India and service income accrued in India.
Overseas Segment includes sales and services rendered to customers located outside India.

Non-current assets:-

The following are the details of the carrying amount of non current assets, which do not include deferred tax assets, income tax assets and financial assets, by the geographical area in which the assets are located :

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within India	**12,466**	12,410	11,863
Outside India	**33**	28	25
Total	**12,499**	12,438	11,888

C) Major customer

Revenues of approximately Rs. 4,898 lacs (31 March 2017 - Rs. 5,547 lacs) are derived from a single customer. These revenues are attributed to the Equipments and project engineering business segment.

D) Other disclosures

1. The Company has disclosed business segment as its primary segment.

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

Note 49 - Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows: **(₹ in lacs)**

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair value through profit or loss	**Amortised cost**	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets - Non-current						
Investments	**-**	**-**	-	-	-	184
Loans	**-**	**149**	-	548	-	463
Other non-current financial assets	**-**	**348**	-	207	-	104
Financial Assets - Current						
Investments	**244**	**-**	1,065	-	1,160	-
Trade receivables	**-**	**9,204**	-	7,633	-	11,817
Cash and cash equivalents	**-**	**1,612**	-	2,024	-	1,291
Other bank balances		**131**		129		122
Loans	**-**	**408**	-	106	-	328
Other current financial assets	**-**	**11,355**	-	7,546	-	1,286
Financial Liabilities - Non-current						

(₹ in lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Other non-current financial liabilities	-	19	-	33	-	28
Financial Liabilities - Current						
Borrowings	-	8,120	-	3,547	-	266
Trade payables	-	7,486	-	7,272	-	7,774
Other financial liabilities	-	854	-	943	-	1,027

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and,

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for security deposits, loan to employees and deposits are based on discounted cash flows using a discount rate determined considering the borrowing rate charged by the bank on the loan facility availed.

III. Financial assets and liabilities measured at fair value (Fair value hierachy - Recurring fair value measurement):

(₹ in lacs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Mutual funds	244	-	-	965	-	-	1,160	-	-
Investment in Debentures	-	-	-	100	-	-	-	-	-
Total	244	-	-	1,065	-	-	1,160	-	-

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

(₹ in lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Assets						
Investments	-	-	-	-	184	184
Loans	149	149	548	548	463	463
Other non-current financial assets	348	348	207	207	104	104
Financial Liabilities - Non-current						
Other non-current financial liabilities	19	19	33	33	28	28

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, current borrowings, other current financial liabilities and trade payables are considered to be approximately equal to the fair value.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They have been classified at level 2 in the fair value hierarchy due to the use of valuation techniques which maximise the use of observable market data.

Note 50- Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial assets include loans, investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and debentures.

A. Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables, loans, cash & bank balances and bank deposits.

To manage credit risk, the Company follows a policy of advance payment or credit period upto 30 days to reputed customers. In case of foreign receivables, majority of the sales are made either against advance payments or by way of letter of credit. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provide details regarding past dues receivables as at each reporting date: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Upto 1 month	**5,513**	4,863	9,114
1-2 months	**1,633**	869	1,230
2-3 months	**192**	468	284
3-6 months	**696**	435	343
6-12 months	**246**	360	383
More than one year	**924**	638	463
Total	**9,204**	7,633	11,817
Provision for bad and doubtful debts	**196**	193	200

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

The Company's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The maturity profile of the Company's financial liabilities based on contractual undiscounted payment at each reporting date is :

As at 31 March 2018 **(₹ in lacs)**

Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	11	11	5	**27**
Financial Liabilities - Current					
Borrowings	8,120	-	-	-	**8,120**
Trade payables	7,486	-	-	-	**7,486**
Other financial liabilities	854	-	-	-	**854**
Total	**16,460**	**11**	**11**	**5**	**16,487**

As at 31 March 2017 (₹ in lacs)

Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	28	7	5	**40**
Financial Liabilities - Current					
Borrowings	3,547	-	-	-	**3,547**
Trade payables	7,272	-	-	-	**7,272**
Other financial liabilities	943	-	-	-	**943**
Total	**11,762**	**28**	**7**	**5**	**11,802**

As at 1 April 2016 (₹ in lacs)

Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	8	24	5	**37**
Financial Liabilities - Current					
Borrowings	266	-	-	-	**266**
Trade payables	7,774	-	-	-	**7,774**
Other financial liabilities	1,027	-	-	-	**1,027**
Total	**9,067**	**8**	**24**	**5**	**9,104**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The Company's exposure to market risk is primarily on account of foreign currency risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables and bank balances which are held in USD, AED, KWD and EUR. The fluctuation in the exchange rate of INR related to USD, AED, KWD and EUR may have a material impact on the Company's assets and liabilities.

In respect of the foreign currency transactions, the Company manages the exchange rate exposure by entering into forward contracts where the exposure is significant. Further, some of the exposures are kept open since the management believes the same will be offsetted by the corresponding receivables and payables which will be in the nature of natural hedge.

The Company's exposure to foreign currency risk at the end of reporting period are as under: (₹ in lacs)

Particulars	**31 March 2018**				31 March 2017				1 April 2016			
	USD	**AED**	**KWD**	**EUR**	USD	AED	KWD	EUR	USD	AED	KWD	EUR
Financial assets												
Trade receivables	**1,075**	**-**	**-**	**52**	667	-	-	45	452	-	-	49
Unbilled work in progress	**728**	**-**	**9,224**	**-**	418	-	5,539	-	407	-	-	-
Bank balances	**147**	**-**	**-**	**-**	386	11	-	-	7	7	-	-

(₹ in lacs)

Particulars	31 March 2018				31 March 2017				1 April 2016			
	USD	AED	KWD	EUR	USD	AED	KWD	EUR	USD	AED	KWD	EUR
Derivative Contracts - Assets												
Foreign exchange forward contracts	(1,111)	-	-	-	(504)	-	-	-	(119)	-	-	-
Net exposure to foreign currency risk (assets)	839	-	9,224	52	967	11	5,539	45	747	7	-	49
Financial liabilities												
Trade payables	522	-	2023	87	283	-	3,003	36	84	-	-	56
Derivative Contracts - Liabilities												
Foreign Exchange forward contracts	(182)	-	-	-	(283)	-	-	-	(69)	-	-	(45)
Net exposure to foreign currency risk (liabilities)	340	-	2,023	87	-	-	3,003	36	15	-	-	11

Sensitivity Analysis

The following table demonstrates the sensitivity in USD, EUR, AED and KWD with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lacs)

Currencies	31 March 2018		31 March 2017	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	25	(25)	48	(48)
AED	-	-	1	(1)
KWD	360	(360)	127	(127)
EUR	(2)	2	0*	0*

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company

(ii) Price Risk

The Company is exposed to price risk from its investment in mutual fund and debentures classified in the balance sheet at fair value through profit and loss.

To manage its price risk arising from the investment, the Company has invested in the mutual funds after considering the risk and return profile of the mutual funds.

Sensitivity Analysis (₹ in lacs)

Particulars	31 March 2018	31 March 2017
Impact on profit before tax for 5% increase in NAV / Price	12	53
Impact on profit before tax for 5% decrease in NAV / Price	(12)	(53)

Note 51 - Capital Management

The Company's objectives, when managing capital, are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans. Total equity comprises of Equity share capital, General reserve, Capital redemption reserve and Retained earnings.

A. The capital composition is as follows: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt (A)	**8,120**	3,547	266
Equity (B)	**24,771**	23,740	22,743
Gearing ratio (A / B)	**0.33**	0.15	0.01

B. Dividends: **(₹ in lacs)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Equity dividend		
Final dividend for the year ended 31 March 2017 of Rs. 5 (31 March 2016 - Rs. 5) per fully paid share	**680**	680
Dividend distribution tax on final dividend	**138**	138
(b) Dividend not recognised at the end of the reporting period		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of Rs. 5 (31 March 2017 - Rs. 5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**680**	680
Dividend distribution tax on proposed dividend	**138**	138

Note 52 - Earnings per share **(₹ in lacs)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit after tax for the year (Rs. in lacs)	**1,856**	1,812
Profit attributable to equity share holders (Rs. in lacs)	**1,856**	1,812
Weighted Average Number of equity shares outstanding during the year	**13,598,467**	13,598,467
Basic and Diluted Earning Per Share (Rs.)	**13.65**	13.32
Face Value per Share (Rs.)	**10.00**	10.00

Note 53 - Details of dividend remitted to non-resident shareholders in foreign currency:* (₹ in lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 1 April 2016
Number of non-resident shareholders	**64**	66	66
Number of equity shares held	**8,766**	9,263	9,363
Financial year ended for which dividend is remitted	**2016-17**	2015-16	2014-15
Amount of dividend remitted (Rs. in lacs)	**0.44**	0.46	0.47

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

Note 54- Revenue expenditure incurred during the year on research and development, amounts to Rs. 338 lacs (31 March 2017: Rs. 415 lacs, 1 April 2016: Rs. 371 lacs) (including depreciation Rs. 29 lacs, 31 March 2017: Rs. 23 lacs, 1 April 2016: Rs. 20 lacs) and capital expenditure thereof amounts to Rs. 43 lacs (31 March 2017: Rs. 92 lacs, 1 April 2016: Rs. 14 lacs).

Note 55- Investments in subsidiaries, associates and joint ventures:

Sr. No	Subsidiary / associate / joint venture	Name of the Subsidiary / associate / joint venture	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2018	Proportion of ownership interest 31 March 2017	Proportion of ownership interest 1 April 2016	Method of accounting
1	Subsidiary	Ador Welding Academy Private Limited	India	100%	100%	100%	Cost

As on the date of transition, the Company has measured the investments at deemed cost i.e. previous GAAP carrying amounts.

Note 56- First time adoption of Ind AS:

A Transition to Ind AS:

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

i) **Optional exemptions availed**

Business combinations

The Company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The Company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

Investment in subsidiaries, joint controlled entities and associates

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its subsidiaries, joint controlled entities and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiary at their previous GAAP carrying value.

ii) **Mandatory exceptions applied**

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B First time adoption reconciliations:

(a) Reconciliation of other equity from Previous GAAP to Ind AS **(₹ in lacs)**

Particluars	Note	Equity as at 31 March 2017	Equity as at 1 April 2016
Other equity as per previous GAAP		**22,355**	**20,488**
Reversal of proposed dividend (including tax)	B.1	-	818
Deferment of revenue	B.2	(59)	(86)
Measurement of derivative financial instruments at fair value*	B.3	(13)	0
Measurement of financial assets at fair value	B.4	74	189
Interest income on unwinding of discount on financial assets*	B.5	14	0
Interest expense on unwinding of discount on financial liabilities*	B.6	(6)	0
Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income	B.7	(5)	-
Provision for doubtful debts as per expected credit loss model	B.8	(6)	(12)
Deferred tax impact on above adjustments	B.9	23	(14)
Actuarial gain / (loss) on employee benefit obligations	B.7	5	-
Deferred tax impact on Actuarial gain / (loss) on employee benefit obligations	B.7	(2)	-
Other equity as per Ind AS		**22,380**	**21,383**

(b) Reconciliation of profit and loss for the year 2016-17 **(₹ in lacs)**

Particluars	Note	Year ended 31 March 2017
Net Profit for the period as per previous GAAP		**1,867**
Deferment of revenue	B.2	27
Measurement of derivative financial instruments at fair value	B.3	(13)
Measurement of financial assets at fair value	B.4	(115)
Interest income on unwinding of discount on financial assets	B.5	14
Interest expense on unwinding of discount on financial liabilities	B.6	(6)
Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income	B.7	(5)

Particluars	Note	Year ended 31 March 2017
Provision for doubtful debts as per expected credit loss model	B.8	6
Deferred tax impact on above adjustments	B.9	37
Actuarial gain / (loss) on employee benefit obligations	B.7	5
Deferred tax impact on above adjustment	B.7	(2)
Profit and loss as per Ind AS		**1,815**

All the adjustments on account of Ind AS are non-cash in nature and hence there is no material impact on statement of Cash flows for the year ended 31 March 2017.

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company

Explanations to reconciliations

B.1 Reversal of proposed dividend (including tax)

Previous GAAP – Proposed dividends were recognised as a liability as an adjusting event occurring after the balance sheet date

Ind AS – Dividends are non-adjusting events after the balance sheet date and hence recognised as & when approved by the shareholders.

Consequent to the above, dividends proposed (incl. tax thereon) as at 1 April 2016 of Rs. 818 lacs have been reversed in equity. Effect of dividends approved during the year 2016-17 (incl. tax) of Rs. 818 lacs has been recognised in other equity.

B.2 Deferment of revenue

Impact on account of deferment of revenue

Previous GAAP - Revenue from sale of goods is recognised on dispatch from the factory premises

Ind AS - Revenue should be recognised when the entity has transferred to the buyer the significant risks & rewards of ownership of goods

Impact on account of Provision for sales return

Previous GAAP - Sales return are accounted as and when they actually occur.

Ind AS - Sales return are accounted on estimated basis. The liability for expected sales returns is recognised at the times of sales. Revenue is presented net of such sales returns.

Impact on account of deferment of freight service

Previous GAAP - Revenue for sale of goods, freight and insurance services is recognised as per the agreed terms. Revenue recognition does not provide guidance on identification of transactions including the requirement to apply the revenue recognition criteria separately to identifiable components or linked transactions.

Ind AS - In an arrangement comprising of more than one performance obligation, the total consideration shall be allocated to each of the obligations i.e. separate component. Revenue for each separate component should be recognised separately as per the respective recognition principles i.e. Sale of goods when the risks and rewards of ownership are transferred to the customer and Sale of services with respect to the stage of completion.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 59 lacs (1 April 2016: Rs. 86 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs 27 lacs.

B.3 Measurement of derivative financial instruments at fair value

Previous GAAP - For derivatives, forward premium (i.e. difference between spot rate on the date of contract and the contractual forward rate) is amortised over the life of the forward contract. Exchange differences on the reporting date are recognised in the statement of profit & loss.

Ind AS - Forward contracts (derivatives) are recognised at fair value on initial recognition and subsequently at fair value through profit or loss.

The gain or loss on settlement of forward contracts recognised under previous GAAP has been restated under Ind AS.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 13 lacs (1 April 2016: Rs. 0.01 lac) and profit and other comphrensive income for the year ended 31 March 2017 has decreased by Rs 13 lacs.

B.4 Measurement of financial assets at fair value

Impact of financial asset (Loan to subsidiary) measured at amortised cost

Previous GAAP - Interest free loans given to subsidiary were recognised at the gross transaction price and subsequently reduced for repayments.

Ind AS - Loans are financial assets and are initially recognised at fair value and since the loan is from shareholder the difference between the fair value and transaction price is recognised as deemed investment in the subsidiary. Subsequently, loans to subsidiary are measured at amortised cost resulting in interest income recognised in the statement of profit and loss at the effective interest rate.

Impact of financial assets measured at Fair value through profit or loss

Previous GAAP – The current investments are measured at lower of cost or fair value

Ind AS – Investment in mutual funds are financial assets. For the purposes of Ind AS 109, mutual fund investments will be considered as debt instruments. Since the cash flows from mutual funds do not represent solely payments of principal and interest (SPPI) criteria, the same will be measured at fair value through profit or loss at each reporting date.

Consequent to the above, the other equity as at 31 March 2017 has increased by Rs. 74 lacs (1 April 2016: Rs. 189 lacs) and profit and other comphrensive income for the year ended 31 March 2017 decreased by Rs. 115 lacs.

B.5 Interest income on unwinding of discount on financial assets

Previous GAAP - The employee loans disbursed at subsidised rate, interest free rent deposits given to lessor are recorded at their gross transaction value.

Ind AS - Loan / deposits given are financial assets and are initially recognised at fair value.

The difference between the fair value and transaction value of the loan / deposits has been recognised as deferred employee cost / prepaid rent and amortised over the agreed period. Subsequently, the loan will be measured at amortised cost resulting into recognition of salary / rent expense and accrual of finance income in the statement of profit & loss.

Consequent to the above, the other equity as at 31 March 2017 has increased by Rs. 14 lacs (1 April 2016: Rs. 0.08 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs. 14 lacs.

B.6 Interest expense on unwinding of discount on financial liabilities

Previous GAAP - Interest free rent deposits received from lessees and deposits from trainees / employees were recognised at the gross transaction price.

Ind AS – Interest free deposits are financial liabilities and are initially recognised at fair value.

In case of rent deposits- The difference between the fair value and transaction price is recognised as Advance income and amortised over the agreed term. Deposit is subsequently measured at amortised cost resulting into recognition of rent income / finance income and finance expense in the statement of profit & loss.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 6 lacs (1 April 2016: Rs. 0.48 lac) and profit and other comphrensive income for the year ended 31 March 2017 decreased by Rs. 6 lacs.

B.7 Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income

Previous GAAP - Actuarial gains/(loss) on defined benefit obligations is recognised in statement of profit & loss.

Ind AS - Actuarial gains/(loss) on defined benefit obligations is recognised in other comprehensive income (OCI).

Consequent to the above, actuarial gains of Rs. 5 lacs and deferred tax liability of Rs 2 lacs, has been recognised in OCI.

B.8 Provision for doubtful debts as per expected credit loss model

Previous GAAP - The provision for doubtful debts are made based on the debtors realisation period and policy framed by the Company i.e. when there is an objective evidence of impairment

Ind AS - An impairment loss shall be recognised as per the expected credit loss model on all financial assets (other than those measured at fair value)

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 6 lacs (1 April 2016: Rs. 12 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs. 6 lacs.

B.9 Deferred tax impact

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit & loss for the subsequent periods.

Note 57- Corporate Social Responsibility :

The Company has formed a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Company is required to spend Rs. 58.29 lacs as per Section 135(5). However, the Company has spent Rs. 32.87 lacs on the activities mentioned in Schedule VII to the Companies Act, 2013

Details of CSR spend for financial year 2017-18:
Total amount spent: Rs. 32.87 lacs
Amount unspent: Rs. 25.42 lacs

Manner in which the amount spent during financial year 2017-18 is detailed below:- **(₹ in lacs)**

CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Health Care	Promoting Health Care Including Preventive Health Care	Sponsoring 20 Cataract Surgeries @ Rs.1500/- per Surgery	0.30
Women Empowerment	Promoting education for underprivileged women	Maharshi Karve Stree Shikshan Sanstha (MKSSS)-Financial Guardianship for 1 girl child from weaker section of society	0.40
Vocational Training	Vocational Training for poor & needy	Purchasing and installing Printers at MKSSS	1.46
Promoting Education	Facilities for Education	Providing uniforms to students in Navi Mumbai Hostel	0.26
Health Care	Promoting Health care	Providing aid for Cancer patients at the CPA Association	0.25
Health Care	Promoting Health care	Setting up Centre for Mental Health in Pune	2.00
Vocational Training	Vocational Training for poor & needy	Setting up Welding Training Centre at Kodinar	15.00
Vocational Training	Vocational Training for poor & needy	Providing sponsorship training to underprivileged youth to take up courses on welding skills	8.02

CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Vocational Training	Vocational Training for poor & needy	Sponsorship for Resistance Spot welding training to PCMC ITI students	1.65
Vocational Training	Vocational Training for poor & needy	Providing Resistance spot welding training to ITI Nigdi	2.21
Water Facilities	Making available water facilities in remote areas / villages	Drilled five Bore wells in village areas near Silvassa for easier access to water	1.32
		Total	**32.87**

Note 58 - Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company.

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

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 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 & fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors / Management of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 & 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 & 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 the other auditors in terms of their reports referred to in paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our unmodified 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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity 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 ₹ 128.46 lacs and net assets of ₹ 84.48 lacs as at 31 March 2018, total revenues of ₹ 73.72 lacs and net cash inflows amounting to ₹ 3.28 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors 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.

10. The Company had prepared separate sets of consolidated financial statements for the year ended 31 March 2017 and 1 April 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 9 May 2017 and 10 May 2016 respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

    c) the reports of its subsidiary company 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 Ind AS specified under Section 133 of the Act;

    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 auditors of its subsidiary company covered under the Act, none of the Directors of the Group companies covered under the Act, are disqualified as on 31 March 2018 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 40 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 covered under the Act;

   (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

per Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 30 May 2018

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 2018

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 Ador Welding Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company which is a company covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company which is a company covered under the Act, 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 its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') 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 includes 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 auditors 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, 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company, its subsidiary company which is company covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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 in so far as it relates to one subsidiary company which is company covered under the Act, whose financial statements reflect total assets of ₹ 128.46 lacs and net assets of ₹ 84.48 lacs as at 31 March 2018, total revenues of ₹ 73.72 lacs and net cash inflows amounting to ₹ 3.28 lacs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the Management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

per Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 30 May 2018

CONSOLIDATED BALANCE SHEET

(₹ in lacs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2	**9,421**	9,307	9,054
(b) Capital work-in-progress	3	**75**	380	136
(c) Investment property	4	**844**	866	889
(d) Intangible assets	5	**67**	56	62
(e) Intangible assets under development		**2**	22	-
(f) Financial assets				
(i) Investments	6	**-**	-	184
(ii) Loans	7	**153**	552	437
(iii) Other non-current financial assets	8	**348**	207	104
(g) Non-current tax assets (net)	9	**346**	263	149
(h) Other non-current assets	10	**2,200**	1,927	1,878
		13,456	13,580	12,893
(2) Current assets				
(a) Inventories	11	**5,384**	4,775	4,387
(b) Financial Assets				
(i) Investments	12	**244**	1,065	1,160
(ii) Trade receivables	13	**9,204**	7,654	11,838
(iii) Cash and cash equivalents	14	**1,616**	2,025	1,291
(iv) Other bank balances	15	**131**	129	122
(v) Loans	16	**408**	106	81
(vi) Other current financial assets	17	**11,347**	7,546	1,286
(c) Other current assets	18	**1,023**	908	538
		29,357	24,208	20,703
Total Assets		**42,813**	**37,788**	**33,596**
Equity and liabilities				
Equity				
(a) Equity share capital	19	**1,360**	1,360	1,360
(b) Other equity	20	**23,142**	22,126	21,156
		24,502	23,486	22,516
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Other non-current financial liabilities	21	**19**	33	28
(b) Provisions	22	**240**	203	172
(c) Deferred tax liabilities (net)	23	**809**	747	737
(d) Other non-current liabilities	24	**3**	3	7
		1,071	986	944
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	**8,132**	3,564	268
(ii) Trade payables	26	**7,501**	7,293	7,791
(iii) Other current financial liabilities	27	**854**	943	1,027
(b) Other current liabilities	28	**558**	735	443
(c) Provisions	29	**195**	781	607
		17,240	13,316	10,136
Total Equity and Liabilities		**42,813**	**37,788**	**33,596**
Summary of significant accounting policies	1			
The accompanying notes 1 to 56 are an integral part of the financial statements.				

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lacs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations (gross)	30	**46,530**	48,175
Other income	31	**958**	920
Total revenue		**47,488**	49,095
Expenses			
Cost of raw materials and components consumed	32	**32,160**	30,596
Purchase of stock-in-trade	33	**690**	917
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	**(133)**	(349)
Excise duty on sale of goods		**697**	3,938
Employee benefits expense	35	**3,846**	3,943
Finance costs	36	**532**	106
Depreciation and amortisation expense	2,4,5	**1,017**	1,135
Other expenses	37	**5,869**	6,120
Total expenses		**44,678**	46,406
Profit before tax		**2,810**	2,689
Tax expense	38		
Current tax		**903**	896
Deferred tax charge		**66**	8
Profit for the year		**1,841**	1,785
Other comprehensive income	39		
(i) Items that will not be reclassified to profit or loss		**(11)**	5
(ii) Income tax relating to items that will not be reclassified to profit or loss		**4**	(2)
Net other comprehensive income/(loss)		**(7)**	3
Total comprehensive income for the period (Comprising profit and other comprehensive income/(loss) for the period)		**1,834**	1,788
Earnings per equity share	52		
Basic and diluted earnings per share (Rs.10 per share)		**13.54**	13.13
Significant accounting policies	1		
The accompanying notes 1 to 56 are an integral part of the financial statements.			

This is the stament of profit & loss referred to in our report of even date.

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

V.M. Bhide
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Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

CONSOLIDATED CASH FLOW STATEMENT

(₹ in lacs)

	Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
A)	**Cash flow from operating activities**				
	Profit before tax		**2,810**		2,689
	Adjustment for:				
	Deferment of revenue	**4**		(31)	
	Provision for expected credit loss on trade receivables	**3**		(1)	
	Fair value adjustments relating to:				
	Derivative contracts	**(13)**		12	
	Financial assets at FVTPL	**(17)**		123	
	Financial assets at amortised cost	**(1)**		(5)	
	Actuarial (loss) / gain	**(11)**		5	
	Depreciation and amortization expense	**1,017**		1,135	
	Bad debts written off	**29**		8	
	(Profit) / loss on sale of fixed assets	**(2)**		2	
	Assets written off / discarded	**11**		1	
	Loss due to fire	**87**		-	
	Items considered separately				
	Finance costs	**528**		102	
	Interest received on government securities	**-**		(14)	
	Surplus on sale of current investments	**(22)**		(236)	
	Interest received from banks and others	**(95)**		(65)	
	Rental income	**(100)**		(97)	
	Exchange gain on revaluation of foreign currency monetary item	**(47)**		(43)	
			1,371		896
	Operating profit before working capital changes		**4,181**		3,585
	Adjustments for changes in working capital				
	(Increase) / decrease in inventories	**(682)**		(447)	
	(Increase) / decrease in trade receivables	**(1,526)**		4,261	
	(Increase) / decrease in loans & advances and other receivables	**(4,020)**		(6,835)	
	Increase / (decrease) in trade payables	**213**		(445)	
	Increase / (decrease) in current liabilities and provisions	**(859)**		911	
			(6,874)		(2,555)
	Cash (used in) / generated from operating activities		**(2,693)**		1,030
	Income tax paid		**(989)**		(1,012)
	Net cash (used in) / generated from operating activities		**(3,682)**		18
B)	**Cash flow from investing activities**				
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	**(892)**		(1,647)	
	Purchase of investments	**-**		(1,041)	
	Proceeds from sale of property, plant and equipment	**11**		21	
	Proceeds from sale of investments	**860**		1,433	
	Interest income from government securities	**-**		14	
	Interest income on fixed deposits and other advances	**100**		71	

(₹ in lacs)

	Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Rental income	**91**		91	
	Investment in fixed deposits	**(142)**		(103)	
	Net cash generated from / (used in) investing activities		**28**		(1,161)
C)	**Cash flow from financing activities**				
	Finance costs	**(505)**		(102)	
	Finance lease obligation	**-**		(17)	
	Repayment of bill discounting liability	**(113)**		-	
	Proceeds from short term borrowings	**7,486**		3,114	
	Repayment of short term borrowings	**(2,805)**		(300)	
	Dividend paid	**(680)**		(680)	
	Dividend distribution tax paid	**(138)**		(138)	
	Net cash generated from financing activities		**3,245**		1,877
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(409)**		734
	Cash and cash equivalents at the beginning of the period		**2,025**		1,291
	Cash and cash equivalents at the end of the period [Refer note 14]		**1,616**		2,025

Notes to the cash flow statement

a) Cash and cash equivalents at year end comprise: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017
Cash on hand	**6**	4
Cheques on hand	**1,163**	1,102
Balances with banks in current accounts	**447**	919
Total	**1,616**	2,025

The accompanying notes 1 to 56 are an integral part of the financial statements.

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) Equity share capital

Particulars	Notes	Number of shares	₹ in lacs
Issued, subscribed and paid up:			
As at 1 April 2016		13,598,467	1,360
Changes in equity share capital	19	-	-
As at 31 March 2017		13,598,467	1,360
Changes in equity share capital	19	-	-
As at 31 March 2018		**13,598,467**	**1,360**

B) Other Equity

(₹ in lacs)

Particulars	Reserves and Surplus			Total
	General reserve	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2016	13,774	223	7,159	21,156
Net profit for the year	-	-	1,785	1,785
Other comprehensive income for the year	-	-	3	3
Total comprehensive income for the year	13,774	223	8,947	22,944
Equity dividend including tax thereon	-	-	(818)	(818)
Balance as at 31 March 2017	13,774	223	8,129	22,126
Net profit for the year	-	-	1,841	1,841
Other comprehensive income for the year	-	-	(7)	(7)
Total comprehensive income for the year	13,774	223	9,963	23,960
Amount transfer from retained earnings	187	-	-	187
Amount transfer to general reserve	-	-	(187)	(187)
Equity dividend including tax thereon	-	-	(818)	(818)
Closing balance as at 31 March 2018	**13,961**	**223**	**8,958**	**23,142**

The accompanying notes 1 to 56 are an integral part of the financial statements.

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

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

Note 1 - Significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2018

I. Background of the Company

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

The financial statements comprise the financial statements of the Company and its subsidiary (the Company and its subsidiary referred to as "the Group"). These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2018 were authorised for issue in accordance with resolution of the Board of Directors on 30 May 2018.

II. Significant Accounting Policies followed by the Company

(a) Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS Financial Statements of the Company. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date and therefore balances for the comparative period have been restated accordingly. As per Ind AS 101, the Company has presented a reconciliation of its transition from Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 55 for detailed information on the transition.

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

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

(b) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis.
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides

evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(c) Critical estimates and judgements

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

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

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

Useful lives of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgement is involved in arriving at the deferred tax assets and liabilities, which is based on the Company's current operations and projections for the future.

Defined benefit obligation

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

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

Freehold Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical costs are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of tangible 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.

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(e) Intangible Assets (including intangibles under development)

Intangible assets relating to product development are recorded at actual cost incurred on the development of products and are capitalised once the products receive approval from the relevant authorities and the same are carried at cost less accumulated amortisation.

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(f) Investment properties

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Investment properties.

(g) Impairment of non-financial assets

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

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.

(h) Investments and financial assets

Classification

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

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

(ii) those measured at amortised cost.

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

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

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

Measurement

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

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

Measurement of debt instruments

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

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

(i) **Amortised cost :** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit & loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) **Fair value through other comprehensive income (FVTOCI) :** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit & loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) **Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

(i) The Company has transferred the rights to receive cash flows from the financial asset or,

(ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

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

(i) Borrowings and other financial liabilities

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

(j) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the 'average cost' method.

The cost of finished goods and work-in-progress comprises raw material, packing materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Revenue Recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, value added taxes, goods and service tax and applicable taxes which are collected on behalf of the government or on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below:

(i) 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.

(ii) Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export from India (MEIS) scheme are accounted in the year of export as export incentives.

(iii) 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 and goods & service tax.

(iv) 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.

(l) Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(m) 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 were made to Ador Welding Limited Administrative Staff Provident Fund Trust administered by the Company. The Company's liability was actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains were recognised in the statement of other comprehensive income in the year in which they arise. However, with effect from November 2016 the Company had discontinued contribution to Ador Welding Limited Administrative Staff Provident Fund Trust and had started contributing to the regulatory authorities.

Gratuity fund: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gain / loss arising on the measurement of defined benefit obligation is credited / charged to other comprehensive income.

Superannuation fund: Contribution towards superannuation fund for certain employees is made to Ador Welding Employees Superannuation Fund Trust administered by the Company. The benefit is classified as a "defined contribution scheme" as the Company does not carry any further obligation, apart from the contribution made on a monthly basis.

Employees state insurance scheme: The Company makes contribution to state plans namely Employees State Insurance Scheme and has no further obligation beyond making the payment to them.

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

(n) Income tax

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

(i) Current Income tax

The current income tax includes income tax payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company operates. Advance tax and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(ii) Deferred Income tax

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax assets are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(o) Leases

As a Lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit & loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in other income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(p) Foreign Currency Transactions

The functional and presentation currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit & Loss.

Non-monetary assets & liabilities that are measured in terms of historical cost in foreign currencies are not restated.

(q) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

(r) Earnings per share

Basic earning per share is computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing net profit after tax (excluding other comprehensive income) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(s) 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.

(t) Research & Development

Revenue expenditure on research & development (including overheads) are charged out as expense in the year in which they are incurred. Expenditure of a capital nature on research & development is debited to respective fixed assets and depreciation is provided on such assets, as are depreciable.

(u) Standard issued but not yet effective

Ind AS 115

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Company from 1 April 2018. The Company is currently assessing the potential impact of this amendment.

Appendix B of Ind AS 21

This appendix is for determining the date of transaction where the entity has received / paid any foreign currency advances. This appendix states that the date of transaction shall be the date on which such advance is received or paid. Therefore, these non-monetary advances will not be restated at the time of their adjustment against the particular transaction. The Company is currently assessing the potential impact of this amendment.

Note 2 - Property, plant and equipment

(₹ in lacs)

Description	Freehold land	Leasehold land [Refer note (a) below]	Buildings [Refer note (b) below]	Ownership premises	Plant and equip-ments (including computers)	Electrical installations	Furniture and fixtures	Office equipments	Vehicles	Temporary shed	Leased assets - vehicles	Research & development assets: Land - freehold	Research & development assets: Buildings	Research & development assets: Plant and equip-ments (including computers)	Research & development assets: Furniture and fixtures	Research & development assets: Air conditioners	Total
Gross carrying value																	
As at 1 April 2016	144	41	6,064	232	12,794	1,015	820	216	256	3	100	34	127	615	4	7	**22,472**
Additions	-	-	289	14	706	47	50	19	126	-	-	-	-	92	-	-	**1,343**
Adjustments	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1)**
Deductions	-	-	-	-	197	-	12	8	39	-	55	-	-	-	-	-	**311**
As at 31 March 2017	144	40	6,353	246	13,303	1,062	858	227	343	3	45	34	127	707	4	7	**23,503**
Additions	-	-	533	16	293	97	100	8	37	-	-	-	-	43	-	-	**1,127**
Adjustments	-	(1)	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	**(4)**
Deductions	-	-	12	-	93	30	160	28	24	-	45	-	-	4	-	-	**396**
As at 31 March 2018	**144**	**39**	**6,874**	**259**	**13,503**	**1,129**	**798**	**207**	**356**	**3**	**-**	**34**	**127**	**746**	**4**	**7**	**24,230**
Accumulated depreciation																	
As at 1 April 2016	-	1	1,453	63	9,843	644	551	157	111	3	82	-	88	419	0*	3	**13,418**
Depreciation charge	-	-	186	4	646	81	55	24	31	-	16	-	1	21	-	1	**1,066**
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Deductions	-	-	-	-	180	-	11	8	34	-	55	-	-	-	-	-	**288**
As at 31 March 2017	-	1	1,639	67	10,309	725	595	173	108	3	43	-	89	440	0*	4	**14,196**
Depreciation charge	-	-	200	4	551	65	55	19	38	-	0*	-	1	27	-	1	**961**
Adjustments	-	(1)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	**(3)**
Deductions	-	-	-	-	85	24	146	25	19	-	43	-	-	3	-	-	**345**
As at 31 March 2018	**-**	**-**	**1,837**	**71**	**10,775**	**766**	**504**	**167**	**127**	**3**	**-**	**-**	**90**	**464**	**0***	**5**	**14,809**
Net carrying value																	
As at 1 April 2016	144	40	4,611	169	2,951	371	269	59	145	-	18	34	39	196	4	4	**9,054**
As at 31 March 2017	144	39	4,714	179	2,994	337	263	54	235	-	2	34	38	267	4	3	**9,307**
As at 31 March 2018	**144**	**39**	**5,037**	**188**	**2,728**	**363**	**294**	**40**	**229**	**-**	**-**	**34**	**37**	**282**	**4**	**2**	**9,421**

Notes:-

(a) Leasehold land includes land Rs. 36.92 lacs (net of amortisation Rs. 36.44 lacs) acquired by the Company on a co-ownership / lease basis for which conveyance deed is yet to be executed.

(b) Includes:

(i) Rs. 0.01 lac being the aggregate value of shares in Co-operative housing societies.

(ii) Rs. 4.17 lacs for tenements in an association of apartment owners.

*Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company.

Note 3 - Capital work in progress

(₹ in lacs)

Particulars	Total
As at 1 April 2016	136
As at 31 March 2017	380
As at 31 March 2018	**75**

Note 4 - Investment Property (₹ in lacs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value					
As at 1 April 2016	49	6	1,141	79	1,275
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2017	49	6	1,141	79	1,275
Additions	-	-	-	-	-
Adjustments	-	-	-	3	3
Deductions	-	-	-	-	-
As at 31 March 2018	**49**	**6**	**1,141**	**82**	**1,278**
Accumulated depreciation					
As at 1 April 2016	-	1	360	25	386
Depreciation charge	-	-	23	1	24
Adjustments	-	-	(1)	-	(1)
Deductions	-	-	-	-	-
As at 31 March 2017	-	1	382	26	409
Depreciation charge	-	-	23	1	24
Adjustments	-	-	-	1	1
Deductions	-	-	-	-	-
As at 31 March 2018	**-**	**1**	**405**	**28**	**434**
Net carrying value					
As at 1 April 2016	49	5	781	54	889
As at 31 March 2017	49	5	759	53	866
As at 31 March 2018	**49**	**5**	**736**	**54**	**844**

Notes:

(a) Fair Value of Investment properties (₹ in lacs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 1 April 2016	400	2,559	1,421	847	5,227
As at 31 March 2017	376	2,428	1,374	803	4,981
As at 31 March 2018	**427**	**2,831**	**1,356**	**889**	**5,503**

Estimation of fair value

The fair valuation is based on current prices in the active market of similar properties. The main inputs used are quantum, area, location, demand, quality of construction, age of building and trend of fair market etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is based on comparable sales approach. The fair value measurement is categorised in level 2 of fair value hierarchy.

(b) **Information regarding income and expenditure of Investment property** **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Rental income derived from investment properties	**89**	100
Direct operating expenses (including repairs and maintenance) generating rental income	**5**	6
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**16**	14
Profit arising from investment properties before depreciation	**68**	80
Less: Depreciation	**24**	24
Profit arising from investment properties	**44**	56

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

Note 5 - Intangible assets **(₹ in lacs)**

Description	Computer Software	Total
Gross carrying value		
As at 1 April 2016	476	476
Additions	38	38
Adjustments	-	-
Deductions	-	-
As at 31 March 2017	514	514
Additions	43	43
Adjustments	-	-
Deductions	2	2
As at 31 March 2018	**555**	**555**
Accumulated depreciation		
As at 1 April 2016	414	414
Depreciation charge	45	45
Adjustments	(1)	-
Deductions	-	-
As at 31 March 2017	458	458
Depreciation charge	32	32
Adjustments	-	-
Deductions	2	2
As at 31 March 2018	**488**	**488**
Net carrying value		
As at 1 April 2016	62	62
As at 31 March 2017	56	56
As at 31 March 2018	**67**	**67**

Note 6 - Non-current investments **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in unquoted government securities measured at amortised cost			
Rural Electrification Corporation Limited tax free secured redeemable non- convertible bonds.	-	-	184
Total	-	-	184
Aggregate amount of unquoted investments	-	-	184

Note 7 - Non-current loans

Unsecured, considered good (unless otherwise stated) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	**146**	161	155
Loan to employees	**7**	8	22
Export incentive receivable	**-**	383	260
Total	**153**	552	437

Note 8 - Other non-current financial assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed deposits for bank guarantees	**348**	207	104
Total	**348**	207	104

Note 9 - Non-current tax assets (net) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax [Refer note (a) below]	**346**	263	149
Total	**346**	263	149

Note:

(a) Advance payment against tax is after year wise set-off against provision for taxation of Rs. 3,532 lacs (31 March 2017: Rs. 3,707 lacs, 1 April 2016: Rs. 3,491 lacs).

Note 10 - Other non-current assets

Unsecured, considered good (unless otherwise stated) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances [Refer note (a) below]	**118**	69	126
Prepaid expenses	**19**	24	4
Balances with sales tax authorities	**2,063**	1,834	1,748
Total	**2,200**	1,927	1,878

Note:

(a) Capital Advances include: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Land at Silvassa	**104**	26	26
Factory building and road construction at Chinchwad plant	**-**	40	20
Plant and equipments	**14**	3	80
Total	**118**	69	126

Note 11 - Inventories

(Valued at lower of cost and net realisable value) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials & components and packing material	**2,241**	1,257	1,418
Work-in-Progress	**799**	617	590
Finished Goods*	**1,948**	2,467	1,925
Stock-in-trade	**113**	161	165
Stores, spares, parts, scrap etc.	**270**	244	201
Right to receive inventory	**13**	29	88
Total	**5,384**	4,775	4,387

* includes provision of excise duty on finished goods amounting to Rs. Nil (31 March 2017: Rs. 534 lacs, 1 April 2016 : Rs. 377 lacs).

Note 12 - Current Investments **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets classified and measured at fair value through profit or loss			
(A) Investment in mutual funds (Unquoted)			
Birla sunlife short term fund - direct plan - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 569,673.976 units of Rs. 10 each)	**-**	-	325
Birla sunlife savings fund - direct plan - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 65,494.770 units of Rs. 100 each)	**-**	-	192
Kotak low duration fund - standard growth - regular plan (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 2,340.550 units of Rs. 100 each)	**-**	-	43
Reliance medium term fund - direct growth plan - growth option (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 326,166.37 units of Rs.10 each)	**-**	-	103
Religare invesco fixed maturity plan - series XVIII - plan C - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 2,000,000 units of Rs.10 each)	**-**	-	256

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Tata short term bond fund regular plan A - growth (31 March 2018: Nil, 31 March 2017: Nil, 1 April 2016: 855,271.035 units of Rs. 10 each)	**-**	-	241
Birla sunlife balanced 95 fund - growth - direct plan (31 March 2018: 3884.159 units, 31 March 2017: 3884.159 units, 1 April 2016: Nil of Rs. 100 each)	**30**	28	-
Birla sunlife dynamic bond fund - retail - growth - direct plan (31 March 2018: Nil, 31 March 2017: 495,623.643 units, 1 April 2016: Nil of Rs. 10 each)	**-**	144	-
Birla sunlife balanced 95 fund - growth - regular plan (31 March 2018: 3,680.059 units, 31 March 2017: 3,680.059 units, 1 April 2016: Nil of Rs. 100 each)	**27**	25	-
DSP blackrock balanced fund - direct plan - growth (31 March 2018: 12,209.416 units, 31 March 2017: 12,209.416 units, 1 April 2016: Nil of Rs. 100 each)	**18**	17	-
DSP blackrock liquidity fund - direct plan - growth (31 March 2018: Nil, 31 March 2017: 8,601.498 units, 1 April 2016: Nil of Rs. 100 each)	**-**	200	-
DSP blackrock balanced fund - regular plan - growth (31 March 2018: 28,696.993 units, 31 March 2017: 28,696.993 units, 1 April 2016: Nil of Rs. 100 each)	**41**	38	-
Franklin india balanced fund - growth (31 March 2018: 5,430.881 units, 31 March 2017: 5,430.881 units, 1 April 2016: Nil of Rs. 10 each)	**6**	6	-
HDFC balanced fund - regular plan - growth (31 March 2018: 37,601.995 units, 31 March 2017: 37,601.995 units, 1 April 2016: Nil of Rs. 100 each)	**55**	49	-
HDFC banking & PSU debt fund - regular plan - growth (31 March 2018: Nil, 31 March 2017: 1,798,561.151 units, 1 April 2016: Nil of Rs. 10 each)	**-**	237	-
HDFC high interest fund- dynamic plan - regular plan - growth (31 March 2018: Nil, 31 March 2017: 85,942.845 units, 1 April 2016: Nil of Rs. 10 each)	**-**	48	-
ICICI prudential balanced fund - growth (31 March 2018: 53,322.947 units, 31 March 2017: 53,322.947 units, 1 April 2016: Nil of Rs. 10 each)	**67**	61	-
Reliance short term fund - growth plan - growth option (31 March 2018: Nil, 31 March 2017: 363,280.856 units , 1 April 2016: Nil of Rs. 10 each)	**-**	112	-
Investment in mutual funds	**244**	965	1,160

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(B) Investment in debentures (Quoted)			
JM Financial Services Limited	**-**	100	-
(31 March 2018: Nil, 31 March 2017: 10 units, 1 April 2016: Nil)			
(Secured, redeemable non-convertible debentures of Rs 1,000,000 each fully paid up)			
Investment in debentures	**-**	100	-
Total	**244**	1,065	1,160
Aggregate market value of unquoted investments	**244**	965	1,160
Aggregate book and market value of quoted investments	**-**	100	-

Note 13 - Trade receivables (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured, considered good [Refer note (a) below]	**396**	363	321
Unsecured, considered good [Refer note (b) below]	**8,808**	7,291	11,517
Unsecured, considered doubtful	**196**	193	200
Less : Provision for doubtful debts	**(196)**	(193)	(200)
Total	**9,204**	7,654	11,838
includes amount due by Private Company in which Director / officer is a director **	**11**	-	0

Notes:

(a) Secured by letter of credit

(b) Includes an amount of Rs. 307 lacs (31 March 2017: Rs.333 lacs, 1 April 2016: Rs. 320 lacs) on account of retention money of Project Engineering Business.

** Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.

Note 14 - Cash and cash equivalents (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	**6**	4	1
Cheques on hand	**1,163**	1,102	994
Balances with banks in current accounts	**447**	919	296
Total	**1,616**	2,025	1,291

Note 15 - Other bank balances (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Earmarked balances with banks [Refer note (a) below]	**125**	124	117
Deposits with maturity of more than three months but less than twelve months	**6**	5	5
Total	**131**	129	122

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2018.

Note 16 - Current loans

Unsecured, considered good (unless otherwise stated) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	**81**	77	57
Loans and advances to employees	**29**	25	20
Duty entitlement on hand	**178**	-	-
Export incentive receivable	**111**	-	-
Others	**9**	4	4
Total	**408**	106	81

Note 17 - Other current financial assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unbilled revenue on construction contracts [Refer note 30]	**11,290**	7,495	1,218
Interest accrued but not due on fixed deposits	**5**	10	16
Measurement of derivative contract at marked to market**	**0**	6	8
Other receivables			
(a) from related parties	**9**	-	-
(b) from others	**43**	35	44
Total	**11,347**	7,546	1,286

** Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.

Note 18 - Other current assets **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance to suppliers	**855**	808	474
Prepaid expenses	**108**	100	62
Balances with GST authorities	**60**	-	-
Balances with central excise, customs and port trust	**-**	-	2
Total	**1,023**	908	538

Note 19 - Equity share capital **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised shares 30,000,000 (31 March 2017: 30,000,000; 1 April 2016: 30,000,000) equity shares of Rs. 10 each	**3,000**	3,000	3,000
Issued, subscribed and fully paid-up shares 13,598,467 (31 March 2017: 13,598,467; 1 April 2016: 13,598,467) equity shares of Rs. 10 each fully paid up	**1,360**	1,360	1,360
Total	**1,360**	1,360	1,360

Note 19 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	**As at 31 March 2018**		As at 31 March 2017		As at 1 April 2016	
	No. of shares	**(Rs. in lacs)**	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
Equity shares						
Shares outstanding at the beginning of the year	**13,598,467**	**1,360**	13,598,467	1,360	13,598,467	1,360
Add: Shares issued during the year	**-**	**-**	-	-	-	-
Shares outstanding at the end of the year	**13,598,467**	**1,360**	13,598,467	1,360	13,598,467	1,360

Note 19 b- Rights, preferences and restrictions

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

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

Note 19 c- Shares held by holding Company

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
	No. of shares	No. of shares	No. of shares
Equity shares of Rs. 10 each			
J.B.Advani & Co. Private Limited	**6,800,531**	6,800,531	6,800,531

Note 19 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	**As at 31 March 2018**		As at 31 March 2017		As at 1 April 2016	
	No. of shares	**% of holding**	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each						
J.B.Advani & Co. Private Limited	**6,800,531**	**50.01%**	6,800,531	50.01%	6,800,531	50.01%
Reliance Capital Trustee Co. Limited	**914,424**	**6.72%**	1,167,129	8.58%	991,605	7.29%
Sundaram Mutual Fund	**627,258**	**4.61%**	831,535	6.11%	831,535	6.11%
Total	**8,342,213**	**61.34%**	8,799,195	64.70%	8,623,671	63.41%

Note 19 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 2018.

Note 20 - Other Equity **(₹ in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
General reserve [Refer note (a) below]	**13,961**	13,774	13,774
Capital redemption reserve account [Refer note (b) below]	**223**	223	223
Retained earnings [Refer note (c) below]	**8,958**	8,129	7,159
Total	**23,142**	22,126	21,156

Notes

(a) General reserve*

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	**13,774**	13,774
Add: Transfer from retained earnings	**187**	-
Balance at the end of the year	**13,961**	13,774

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

(b) Capital redemption reserve account**

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	**223**	223
Transaction during the year	**-**	-
Balance at the end of the year	**223**	223

**The reserve was created during buy back of equity shares and it is a non-distributable reserve.

(c) Retained earnings***

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	**8,129**	7,159
Transaction during the year		
Add: Net profit / (loss) for the year	**1,841**	1,785
Add: Other comprehensive income for the year	**(7)**	3
Less: Transfer to General Reserve	**(187)**	-
Less: Equity dividend [Refer note (c)(i) below]	**(680)**	(680)
Less: Tax on equity dividend	**(138)**	(138)
Balance at the end of the year	**8,958**	8,129

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

Note:

(i) The Board has recommended equity dividend of Rs. 5 per share (previous year Rs. 5 per equity share) for the financial year 2017-18. [Refer note 51]

Note 21 - Other non-current financial liabilities

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Rent deposit	**11**	30	19
Deposit from trainees/employees	**8**	3	9
Total	**19**	33	28

Note 22 - Provisions

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity [Refer note 46 (II) (a)]	**145**	117	89
Compensated absences [Refer note 46 III]	**95**	86	83
Total	**240**	203	172

Note 23 - Deferred tax liabilities (net) **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	**880**	849	825
Capital expenditure for scientific research	**115**	108	84
Financial asset measured at FVTPL	**-**	6	48
Reversal of provision on compensated absences	**17**	-	-
	1012	963	957
Deferred tax assets on account of:			
Measurement of derivative contract at marked to market	**-**	4	-
Employee benefits	**114**	119	117
Voluntary retirement scheme	**1**	3	5
Disallowances u/s 43B	**84**	80	82
Deferment of revenue	**4**	6	16
Carry forward business loss	**-**	4	-
	203	216	220
Net deferred tax liabilities	**809**	747	737

Note 24 - Other non-current liabilities **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income	**3**	3	7
Total	**3**	3	7

Note 25 - Borrowings **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
From banks			
Working capital loan repayable on demand [Refer note (a) and (b) below]	**5,900**	2,500	-
Export packing credit facility [Refer note (a) and (b) below]	**600**	300	-
Cash credit facility availed from bank [Refer note (a) and (b) below]	**986**	-	-
Overdraft facility [Refer note (d) below]	**12**	17	2
Unsecured			
Liability on account of bills discounting	**634**	747	266
Total	**8,132**	3,564	268

Notes:

(a) Working capital loan, export packing credit facility and cash 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) Working capital loan, export packing credit facility and cash credit facility are secured by way of

1. First pari passu charge on current assets of the Company, and

2. Exclusive charge on Raipur Manufacturing facility situated at Bilaspur Road, Industrial Estate, Raipur - 493 221, Chattisgarh (movable and non movable fixed assets) of the Company.

Hypothecation (on current asset of the borrower and movable fixed assets of the borrower at Raipur facility) to be created upfront.

Charge perfection within 90 days of from date of 1st Utilisation of WC limits. Mortgage creation and perfection on Raipur facility within 90 days of 1st Utilisation of WC limits. Letter of Undertaking for Buyer's Credit (LUT) shall be unsecured facility.

(c) Guarantees given by bank to third parties amounting to Rs. 2,281 lacs (31 March 2017 Rs. 2,558 lacs, 1 April 2016 Rs. 1,198 lacs) on behalf of the company are secured against securities mentioned in (a) above.

(d) 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 Ador Welding Academy Private Limited and debit authority letter from Ador Welding Limited and earmarking the CC limit of the parent Company.

Note 26 - Trade payables **(₹ in lacs)**

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Dues to micro, small and medium enterprises [Refer note (a) below]	**27**	20	104
Dues to other than micro, small and medium enterprises	**7,474**	7,273	7,687
Total	**7,501**	7,293	7,791

Note:

(a) The company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said Act is as under:

(₹ in lacs)

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**27**	20	104
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0***	0*	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	**-**	-	-

This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.
* Amounts below Rs. 0.49 lac have been rounded off, as per norms of the Company.

Note 27 - Other current financial liabilities (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current Maturities of finance lease obligations	**-**	0*	17
Deposits:			
(a) Rent deposit	**21**	1	9
(b) From distributors	**150**	143	141
(c) From others	**12**	63	11
Employee benefits payable	**135**	132	126
Unclaimed dividend	**125**	124	117
Creditors for capital goods	**50**	46	27
Provision for expenses [Refer note (a) below]	**259**	341	449
Others	**102**	93	130
Total	**854**	943	1,027

Note :

(a) Provision for expenses include : (₹ in lacs)

Particulars	As at 1 April 2017	Utilised during the year	Provision for the year	Unused / reversed amount	As at 31 March 2018
PEB project expenditure	2	2	-	-	**-**
Variable incentive pay	75	63	25	12	**25**
Bonus and commission payable to Directors	67	67	71	-	**71**
Electricity expenses	10	10	11	-	**11**
Freight expenses	98	98	46	-	**46**
Legal and professional fees	5	5	9	-	**9**
Other expenses	84	72	97	12	**97**
Total	341	317	259	24	**259**

* Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company.

Note 28 - Other current liabilities (₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances received from distributors on behalf of customers	**19**	13	34
Advances received from customers**	**346**	629	287
Statutory dues	**58**	87	118
Liability for Goods & Service Tax	**129**	-	-
Advance Income	**3**	3	3
Others	**3**	3	1
Total	**558**	735	443

** Includes an amount of Rs. 276 lacs (31 March 2017: Rs. 521 lacs, 1 April 2016: Rs. 201 lacs) on account of Project Engineering Business Division.

Note 29 - Provisions **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Provision for Compensated Absences [Refer note 46-III]	**85**	141	136
Others			
Provision for excise duty on finished goods stock	**-**	534	377
Provision for warranties [Refer note (a) below]	**63**	64	49
Provision for wealth tax	**-**	3	6
Provision for sales return	**47**	39	39
Total	**195**	781	607

Note:

(a) Provision of Rs. 63 lacs (31 March 2017: Rs. 64 lacs, 1 April 2016: Rs. 49 lacs) 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.

Note 30 - Revenue from operations **(₹ in lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of goods		
Domestic	**36,392**	38,307
Export	**9,527**	9,237
Sale of services	**479**	479
Other operating revenue :		
Sale of scraps and others	**132**	152
Total	**46,530**	48,175

Note:

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(i) Contract revenue recognised for the year	**7,578**	8,697
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	**15,203**	8,976
(iii) Amount of customer advances outstanding for contracts in progress [Refer note 28]	**276**	521
(iv) Amount of retentions due from customers for contracts in progress [Refer note 13]	**307**	333
(v) Amount due from customers [Refer note 17]	**11,290**	7,495

Note 31 - Other income (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial asset measured at amortised cost		
(i) Government securities	-	14
(ii) Fixed deposits with banks	24	15
(iii) Overdue amount from customers	64	46
(iv) Others	11	9
Realised gain on financial assets measured at FVTPL	22	236
Rent received [Refer note 44]	89	100
Duty drawback and export incentive	208	126
Insurance recovered (net of expense)	42	41
Profit on sale of fixed assets	2	-
Foreign currency fluctuation gain (net)	324	164
Provisions / liabilities no longer required now written back	60	93
Fair value change of financial asset measured at FVTPL	17	-
Miscellaneous income	95	76
Total	**958**	920

Note 32 - Cost of materials consumed (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock	1,257	1,418
Add: Purchases	33,144	30,435
Less: Closing stock	(2,241)	(1,257)
Total	**32,160**	30,596

Note 33 - Purchase of stock-in-trade (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Welding products	281	322
Welding accessories	409	595
Total	**690**	917

Note 34 - Changes in inventories of finished goods, stock-in-trade and work-in-progress (₹ in lacs)

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
At the beginning of the Year				
Finished goods	2,496		2,013	
Stock-in-trade	161		165	
Work-in-progress	617	3,274	590	2,768
At the end of the Year				
Finished goods	1,961		2,496	
Stock-in-trade	113		161	
Work-in-progress	799	2,873	617	3,274
Add/(less): Variation in excise duty on opening and closing stock of finished goods		(534)		157
Total		**(133)**		(349)

Note 35 - Employee benefits expense (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	**3,205**	3,321
Contribution to provident and other funds [Refer note 46-I]	**175**	162
Contribution to gratuity [Refer note 46-II (a)]	**37**	33
Staff welfare expenses	**429**	427
Total	**3,846**	3,943

Note 36 - Finance costs (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on:		
Bill discounting of invoices	**57**	54
Finance lease obligation	**-**	1
Others	**8**	-
Other borrowing costs	**467**	51
Total	**532**	106

Note 37 - Other expenses (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Manufacturing and other expenses [Refer note 37(a)]	**2,509**	2,523
Electricity expenses	**25**	26
Rent [Refer note 42]	**133**	143
Freight	**561**	454
Legal and professional fees	**242**	245
Insurance	**25**	20
Repairs and maintenance - others	**125**	151
Travelling, conveyance and vehicle expenses	**689**	696
Directors fees	**5**	5
Telephone, postage and telegram	**183**	197
Rates and taxes	**63**	54
Advertisement and sales promotion expenses	**86**	89
Commission paid	**11**	20
Bad debts written off (net of reversal of provision for doubtful debts- 31 March 2018: Nil, 31 March 2017: ₹ 47 lacs)	**29**	8
Provision for doubtful debts	**3**	41
Loss on sale of fixed assets (net)	**-**	2
Loss on measurement of Financial asset at FVTPL	**-**	123
Assets written off / discarded	**11**	1
Printing and stationery	**73**	71
Auditors remuneration [Refer note 37(b)]	**29**	28
Corporate social responsibility	**23**	41
Selling and distribution incentive	**192**	216
Bank charges	**90**	102
Loss due to fire*	**99**	-
Miscellaneous expenses	**663**	864
Total	**5,869**	6,120

*There was a fire at Silvassa plant on 16 February 2018. The Company suffered a loss of Rs. 99 lacs on account of damage of Inventory, Property, Plant and Equipments and other incidental expenses, which was fully insured. The management has lodged a claim for the same with the insurance company.

Note 37(a) - Manufacturing and other expenses (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores, spare parts and scraps	**585**	536
Power and fuel	**882**	868
Repairs to machinery	**63**	95
Repairs to building	**11**	27
Other manufacturing expenses	**968**	997
Total	**2,509**	2,523

Note 37(b) - Auditors remuneration (excluding tax) (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Statutory audit fees	**13**	13
Tax audit fees	**5**	5
Certification and other matters	**9**	8
Reimbursement of out of pocket expenses	**2**	2
Total	**29**	28

Note 38 - Tax expense (₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current tax for the year	**880**	915
Reversal of provision for earlier years	**23**	(19)
	903	896
Deferred tax		
Change in deferred tax assets	**2**	7
Change in deferred tax liabilities	**64**	1
	66	8
Total	**969**	904

Note :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2018 and 31 March 2017:

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax as per books	**2,810**	2,689
Applicable income tax rate	**34.61%**	34.61%
Estimated income tax expenses	**972**	931
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
Impact due to loss of subsidiary Company	**5**	10
Actuarial gains on defined benefit obligations	**4**	(2)
Depreciation	**7**	12
Assets written off	**14**	8
Disallowance u/s 43B	**12**	14

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Disallowance u/s 36(1)(vii)	**-**	(2)
Deduction u/s 35(2AB)	**(69)**	(8)
Deduction u/s 35DDA	**(1)**	(1)
Permanent disallowances	**11**	14
Tax in respect of earlier years	**23**	(19)
Financial assets measured at fair value through profit and loss	**(12)**	(2)
Income exempted from income tax	**-**	(47)
Other items	**3**	(4)
Reported income tax expenses	**969**	904

Note 39 - Other comprehensive income

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Items that will not be reclassified to profit or loss		
Actuarial gains on defined benefit obligations	**(11)**	5
Income tax effect on above	**4**	(2)
Total	**(7)**	3

Note 40 - Contingent Liabilities not provided for :

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2018: Rs 392 lacs; 31 March 2017: Rs 46 lacs; 1 April 2016: Rs 75 lacs)*	**1,077**	251	2,858
b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2018: Rs 91 lacs; 31 March 2017: Rs 2 lacs;1 April 2016: Rs 2 lacs)	**2,385**	23	118
c) Disputed income tax as the matters are in appeal (advance paid 31 March 2018: Rs 13 lacs; 31 March 2017: ₹ 9 lacs)	**63**	63	-
d) Bonds submitted to customs authorities for import of goods under advance license scheme	**-**	-	76
e) Bank guarantees	**2,281**	2,558	1,198
f) On account of pending C-forms	**842**	1,479	1,693
g) Other matters	**209**	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.

*Disclosed to the extent information is available.

Note 41 - Estimated amount of contracts remaining to be executed **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
On Capital account and not provided for (net of advances)	**339**	299	346

Note 42- 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 and loss during the year is ₹ 133 lacs (31 March 2017: ₹ 143 lacs).

(₹ in lacs)

Particulars	Minimum lease payment	
	As at 31 March 2018	As at 31 March 2017
Amount due within one year	**75**	72
Amount due from one year to five years	**67**	88
Amount due from five years and above	**94**	106
Total	**236**	266

Note 43- Lease arrangements - Finance lease

Net carrying amount of carrying asset as at Balance sheet date – ₹ Nil lacs (31 March 2017: Rs. 2 lacs, 1 April 2016: Rs.18 lacs) . The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Minimum lease rentals payable as at Balance sheet date**	-	0*
Present value of minimum lease rentals payable **	-	0*

(₹ in lacs)

Particulars	Minimum lease payment		Present value of minimum lease payments	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Amount due within one year	-	0*	-	0*
Amount due from one year to five years	-	-	-	-
Amount due from five years and above	-	-	-	-
Total	-	0	-	0

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

** Includes interest on lease rentals.

Note 44- Lease rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is ₹ 89 lacs (31 March 2017: ₹ 100 lacs).

(₹ in lacs)

Particulars	**Minimum lease payment**	
	As at 31 March 2018	As at 31 March 2017
Amount due within one year	**68**	86
Amount due from one year to five years	**104**	149
Amount due from five years and above	**46**	71
Total	**218**	306

Note 45- 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 46 - Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

Brief description of the plans:

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

I. Defined Contribution Plan:

(i) Superannuation fund
(ii) Provident fund
(iii) Employees State Insurance fund

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

Contribution to Defined Contribution Plan, recognised as expense for the year are as under: **(₹ in lacs)**

Particulars	**Year ended 31 March 2018**	Year ended 31 March 2017
Employer's Contribution to Superannuation fund	**38**	36
Employer's contribution to provident fund**	**122**	114
Employer's Contribution to Employees state insurance corporation	**15**	12
Total	**175**	162

* included in Note 35- 'Employee benefits expense'
** includes payment made to regulatory authorities other than to Ador Welding Employees Provident Fund Trust.

II. Defined Benefit Plan :

(a) Contribution to Gratuity fund (funded scheme):

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Actuarial assumptions			
Discount rate (per annum)	**7.50%**	6.85%	7.80%
Salary escalation rate	**8.00%**	6.50%	7.50%
Attrition rate			
21 years to 44 years	**18.22%**	18.45%	18.45%
45 years and above	**8.00%**	12.62%	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			
(ii) Assets information:			
The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India (LIC) as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations.			
(iii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	**286**	262	282
Current service cost	**31**	29	29
Interest on defined benefit obligation	**18**	18	20
Remeasurements during the period due to:			
Actuarial loss / (gain) arising from change in financial assumptions	**12**	(1)	(4)
Actuarial loss / (gain) arising on account of experience changes	**(1)**	(4)	(12)
Benefits paid	**(19)**	(18)	(53)
Present Value of obligation at the end of the year	**327**	286	262
(iv) Changes in the Fair value of Plan Assets			
Fair value of plan assets at beginning of the year	**169**	173	202
Interest on plan assets	**12**	14	15
Remeasurements during the period due to:			
Actual return on plan assets less interest on plan assets	**-**	-	(1)
Contributions by employer	**20**	-	10
Benefits paid	**(19)**	(18)	(53)
Fair Value of Plan Assets at the end of the year	**182**	169	173
(v) Assets and liabilities recognised in the balance sheet **			
Present value of the defined benefit obligation at the end of the year	**327**	286	262
Less: Fair value of plan assets at the end of the year	**(182)**	(169)	(173)
Net liability recognised ***	**145**	117	89
Recognised under provisions [Refer note 22]			
Long term provisions	**145**	117	89

(₹ in lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	**31**	29
Interest on net defined benefit liability / (asset)	**6**	4
Net gratuity cost recognised in current year	**37**	33
Included in note 35 'Employee benefits expense'		
(vii) Expenses recognised in the Statement of other comprehensive income		
Remeasurements during the period due to:		
Actuarial loss / (gain) arising from change in financial assumptions	**12**	(1)
Actuarial loss / (gain) arising on account of experience changes	**(1)**	(4)
Net cost recognised in other comprehensive income	**11**	(5)

(viii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Discount Rate	**Salary escalation rate**	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	**(2.25%)**	**2.33%**	(2.03%)	2.11%	(2.03%)	2.11%
Impact of decrease in 50 bps on DBO	**2.36%**	**(2.25%)**	2.12%	(2.05%)	2.12%	(2.05%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(ix) Maturity Pattern: (₹ in lacs)

Maturity Profile	31 March 2018	31 March 2017
Expected benefits for year 1	**66**	52
Expected benefits for year 2	**103**	61
Expected benefits for year 3	**31**	86
Expected benefits for year 4	**28**	26
Expected benefits for year 5	**27**	23
Expected benefits for year 6	**28**	21
Expected benefits for year 7	**24**	20
Expected benefits for year 8	**40**	16
Expected benefits for year 9	**12**	23
Expected benefits for year 10 and above	**139**	70

* Amount below Rs. 0.49 lac has been rounded off, as per norms of the Company

** Amount have been recognised based on the information for the period ended 28 February 2018, 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 lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Actuarial 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			
(ii) Assets information:			
Government of India securities	-	-	33.00%
Corporate bonds	-	-	26.00%
Special deposit schemes	-	-	23.00%
Equity shares of listed companies	-	-	0.00%
Others	-	-	19.00%
(iii) 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 loss / (gain) on obligation	-	-	(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
(iv) Changes in the Fair value of Plan Assets			
Fair value of plan assets at the beginning of the year	-	-	1,105
Expected return on plan assets	-	-	87
Actuarial 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
(v) Actual return on plan assets	-	-	23
(vi) Assets and liabilities recognised in the 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)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net liability / (asset) recognised	-	-	-
Recognised under provisions			
Long term provisions	-	-	-
Short term provisions	-	-	-

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

III. Compensated absences*

(i) An amount of ₹ (48) lacs (31 March 2017: ₹ 14 lacs,1 April 2016: ₹ 50 lacs) has been recognised as an expense in the statement of profit & loss and included under Note 35 "Employee benefits expense".

(ii) Balance sheet reconciliation

(₹ in lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Long term	Short term	Long term	Short term	Long term	Short term
Liability as per actuarial valuation	**95**	**85**	86	141	83	136

* have been recognised based on the information for the period ended 28 February 2018, 28 February 2017 and 29 February 2016.

Note 47 - Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) List of related parties and relationship:

Relationship	Name of the Person / Company
(i) Holding Company:	J. B. Advani & Co. Private Limited
(ii) Fellow subsidiaries:	Ador Powertron Limited (Subsidiary of J.B. Advani & Co. Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Co. Private Limited) Ador Fontech Limited Ador Multiproducts Limited 1908 E-Ventures Pvt. Ltd. JBA Asia Pacific Pte. Ltd. (Singapore)
(iii) Companies in which holding Company has significant influence and associates of the holding Company:	Mack Valves India Private Limited (Indirect subsidiary of J.B. Advani & Co. Private Limited) 3D Future Technologies Systems Pvt. Ltd. Green Line Industrial Systems Pvt. Ltd. Dualrank Fontech (M) Sdn. Bhd (Malaysia)

(iv) Key management personnel:	Ms. A. B. Advani - Executive Chairman
	Mr. S. M. Bhat - Managing Director
	Mrs. N. Malkani Nagpal - Whole time Director
	Mr. R. A. Mirchandani - Director (Non-executive)
	Mr. A.T. Malkani - Director (Non-executive)
	Mr. D. A. Lalvani - Director (Non-executive)
	Mr. M. K. Maheshwari - Director (Independent & Non-executive)
	Mr. P. K. Gupta - Director (Independent & Non-executive)
	Mr. R. N. Sapru - Director (Independent & Non-executive)
	Mr. K. Digvijay Singh - Director (Independent & Non-executive)
	Mr. G. M. Lalwani - Director (Independent & Non-executive)
	Mr. S. G. Mirchandani - Director (Independent & Non-executive)
	Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary
	Mr. G. A. Patkar - Chief Financial Officer

(II) Transactions during the year: **(₹ in lacs)**

Relationship / Name of the Related Party	**Nature of transactions**	**Value of the transactions**	
		31 March 2018	31 March 2017
a) Holding Company			
J B Advani & Co. Private Limited	Sale of goods (net)	**9**	14
	Purchase of goods and services received	**700**	799
	Rent received (net)	**25**	25
	Rent paid (net)	**15**	16
	Reimbursement of expenses (incurred to other companies)	**10**	7
	Recovery of expenses (from other companies)	**17**	14
b) Subsidiary Company and fellow subsidiaries			
Ador Powertron Limited	Sales of goods*	**0**	0
	Purchase of goods*	**0**	0
	Recovery of expense (from other companies)	**1**	1
	Rent received (net)	**-**	1

(₹ in lacs)

Relationship / Name of the Related Party	Nature of transactions	Value of the transactions	
		31 March 2018	31 March 2017
c) Companies in which Holding Company has significant influence and associates of the Holding Company			
Ador Fontech Limited	Sale of goods (net)	**145**	167
	Purchase of goods	**2**	17
	Recovery of expenses (from other companies)	**1**	6
	Reimbursement of expenses (incurred to other companies)	**0**	2
	Rent received (net)	**4**	4
	Sale of fixed assets	**-**	9
1908-E-Ventures Pvt. Ltd.	Service received*	**0**	-
Ador Multiproducts Limited	Sale of goods (net)	**-**	39
d) Key Management Personnel			
Ms. A. B. Advani	Remuneration	**151**	140
Mrs. N. Malkani Nagpal	Remuneration	**107**	99
Mr. S. M. Bhat	Remuneration	**155**	132
Mr. V. M. Bhide	Remuneration	**32**	28
Mr. G. A. Patkar	Remuneration	**27**	25
Directors (Non-executive and Independent and Non-executive directors)	Sitting fees	**5**	5
Independent directors (Non-executive and Independent and Non-executive directors)	Commission	**32**	30

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

(III) Amount outstanding at the year end: (₹ in lacs)

Relationship / Name of the Related Party	Nature	31 March 2018	31 March 2017	1 April 2016
a) Holding Company				
J B Advani & Co. Private Limited	Other receivable*	**15**	-	0
	Trade receivable	**11**	-	-
	Trade payable	**208**	104	110
b) Subsidiary Company and fellow subsidiaries				
Ador Powertron Limited	Other receivables*	**-**	0	-
	Trade receivable	**0**	-	-
	Trade payable*	**0**	-	-
c) Companies in which Holding Company has significant influence and its associates				
Ador Fontech Limited	Trade receivable*	**5**	0	-
Ador Multiproducts Limited	Trade receivable	**3**	3	9
1908 E-Ventures Pvt. Ltd.	Outstanding receivables*	**0**	-	-
d) Key Management Personnel				
Mr. S. M. Bhat	Loan	**-**	4	8

Notes:

1. Related party relationship is as identified by the Company and relied upon by the auditors.

2. Excludes gratuity and compensated absences provided on the basis of acturial valuation on an overall company basis.

   * Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

Note 48 - Segment reporting

The Company's chief operating decision maker - Chief Financial Officer examines the Company's performance and has identified two reportable segments of its business:

(i) Consumables
(ii) Equipments and project engineering business

The above operating segments have been identified considering:

(i) The internal financial reporting systems
(ii) The nature of the products / processes
(iii) The organisation structure as well as differential risks and returns of these segments

Types of products and services in each business segment:

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

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities". Inter-segment transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods.

A) Business segment (₹ in lacs)

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017
Segment revenue						
External revenue	**31,129**	31,437	**15,401**	16,738	**46,530**	48,175
Inter segment revenue	**-**	-	**-**	-	**-**	-
Total revenue	**31,129**	31,437	**15,401**	16,738	**46,530**	48,175
Segment result before interest and tax	**4,134**	3,631	**(67)**	265	**4,067**	3,896
Add / (less) :						
Unallocable expenses (net of unallocable income)					**(1,030)**	(1,101)
Interest and finance charges (net)					**(227)**	(106)

(₹ in lacs)

Particulars	Consumables		Equipments and project engineering business		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017
Excess / (short) provision of tax for earlier years					**(23)**	19
Provision for taxes (net of deferred tax)					**(946)**	(923)
Net profit after tax					**1,841**	1,785
Other information						
Segment assets	**17,202**	15,403	**21,995**	17,549	**39,197**	32,952
Unallocated assets					**3,616**	4,836
Total assets					**42,813**	37,788
Segment liabilities	**3,253**	3,304	**9,885**	8,677	**13,138**	11,981
Unallocated liabilities					**5,173**	2,321
Total liabilities					**18,311**	14,302
Capital employed						
Segment wise capital employed	**13,949**	12,099	**12,110**	8,872	**26,059**	20,971
Unallocable corporate assets net of unallocable corporate liabilities					**(1,557)**	2,515
Total capital employed					**24,502**	23,486
Capital expenditure						
Segment capital expenditure	**799**	593	**328**	654	**1,127**	1,247
Unallocated capital expenditure					**43**	134
Total capital expenditure					**1,170**	1,381
Depreciation and amortisation						
Segment depreciation and amortisation	**609**	709	**330**	316	**939**	1,025
Unallocated depreciation and amortisation					**78**	110
Total depreciation and amortisation					**1,017**	1,135
Significant non cash expenditure						
Segment significant non cash expenditure	**-**	1	**9**	-	**9**	1
Unallocated significant non cash expenditure					**2**	-
Total significant non cash expenditure					**11**	1

B) Geographical segment

Revenue from external customers **(₹ in lacs)**

Particulars	**Year ended 31 March 2018**	Year ended 31 March 2017
Domestic	**36,859**	38,571
Overseas		
Kuwait	**4,898**	5,547
Other countries	**4,773**	4,057
Total	**46,530**	48,175

Domestic Segment includes sales to customers located in India and service income accrued in India.
Overseas Segment includes sales and services rendered to customers located outside India.

Non-current assets:-

The following are the details of the carrying amount of non current assets, which do not include deferred tax assets, income tax assets and financial assets, by the geographical area in which the assets are located :

(₹ in lacs)

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Within India	**12,576**	12,530	11,994
Outside India	**33**	28	25
Total	**12,609**	12,558	12,019

C) Major customer

Revenues of approximately Rs. 4,898 lacs (31 March 2017 - Rs. 5,547 lacs) are derived from a single customer. These revenues are attributed to the Equipments and project engineering business segment.

D) Other disclosures

1. The Company has disclosed business segment as its primary segment.
2. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Note 49 - Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows: **(₹ in lacs)**

Particulars	**31 March 2018**		31 March 2017		1 April 2016	
	Fair value through profit or loss	**Amortised cost**	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets - Non-current						
Investments	**-**	**-**	-	-	-	184
Loans	**-**	**153**	-	552	-	437
Other non-current financial assets	**-**	**348**	-	207	-	104
Financial Assets - Current						
Investments	**244**	**-**	1,065	-	1,160	-
Trade receivables	**-**	**9,204**	-	7,654	-	11,838

(₹ in lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair value through profit or loss	**Amortised cost**	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Cash and cash equivalents	**-**	**1,616**	-	2,025	-	1,291
Other bank balances	**-**	**131**	-	129	-	122
Loans	**-**	**408**	-	106	-	81
Other current financial assets	**-**	**11,347**	-	7,546	-	1,286
Financial Liabilities - Non-current						
Other non-current financial liabilities	**-**	**19**	-	33	-	28
Financial Liabilities - Current						
Borrowings	**-**	**8,132**	-	3,564	-	268
Trade payables	**-**	**7,501**	-	7,293	-	7,791
Other financial liabilities	**-**	**854**	-	943	-	1,027

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and,

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments which are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for security deposits, loan to employees and deposits are based on discounted cash flows using a discount rate determined considering the borrowing rate charged by the bank on the loan facility availed.

III. **Financial assets and liabilities measured at fair value (Fair value hierachy - Recurring fair value measurement:)**

(₹ in lacs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Mutual funds	**244**	**-**	**-**	965	-	-	1,160	-	-
Investment in Debentures	**-**	**-**	**-**	100	-	-	-	-	-
Total	**244**	**-**	**-**	1065	-	-	1,160	-	-

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

(₹ in lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair value amount	**Carrying amount**	Fair value amount	Carrying amount	Fair value amount	Carrying amount
Financial Assets						
Investments	**-**	**-**	-	-	184	184
Loans	**153**	**153**	552	552	437	437
Other non-current financial assets	**348**	**348**	207	207	104	104
Financial Liabilities - Non-current						
Other non-current financial liabilities	**19**	**19**	33	33	28	28

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, current borrowings, other current financial liabilities and trade payables are considered to be approximately equal to the fair value.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They have been classified at level 2 in fair value hierarchy due to use of valuation techniques which maximise the use of observable market data.

Note 50- Financial risk management

The company is exposed primarily to fluctuations in foreign currency exchange rates, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Company's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and debentures.

A) Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The financial instruments that are subject to concentration of credit risk pincipally consist of trade receivables, loans, cash and bank balances and bank deposits.

To manage credit risk, the Company follows a policy of advance payment or credit period upto 30 days to reputed customers. In case of foreign receivables, majority of the sales are made either against advance payments or by way of letter of credit. The credit limit policy is established considering the current economic trends of the industry in which the Company is operating.

Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provide details regarding past dues receivables as at each reporting date: **(₹ in lacs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Upto 1 month	**5,513**	4,884	9,135
1-2 months	**1,633**	869	1,230
2-3 months	**192**	468	284
3-6 months	**696**	435	343
6-12 months	**246**	360	383
More than one year	**924**	638	463
Total	**9,204**	7,654	11,838
Provision for bad and doubtful debts	**196**	193	200

B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

The Company's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The maturity profile of the company's financial liabilities based on contractual undiscounted payment at each reporting date is :

As at 31 March 2018 **(₹ in lacs)**

Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	11	11	5	**27**
Financial Liabilities - Current					
Borrowings	8,132	-	-	-	**8,132**
Trade payables	7,501	-	-	-	**7,501**
Other financial liabilities	854	-	-	-	**854**
Total	**16,487**	**11**	**11**	**5**	**16,514**

As at 31 March 2017 **(₹ in lacs)**

Particulars	**Less than 1 year**	**1 - 2 years**	**2 -5 years**	**More than 5 years**	**Total**
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	28	7	5	**40**
Financial Liabilities - Current					
Borrowings	3,564	-	-	-	**3,564**
Trade payables	7,293	-	-	-	**7,293**
Other financial liabilities	943	-	-	-	**943**
Total	**11,800**	**28**	**7**	**5**	**11,840**

As at 1 April 2016 **(₹ in lacs)**

Particulars	**Less than 1 year**	**1 - 2 years**	**2 -5 years**	**More than 5 years**	**Total**
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	8	24	5	**37**
Financial Liabilities - Current					
Borrowings	268	-	-	-	**268**
Trade payables	7,791	-	-	-	**7,791**
Other financial liabilities	1,027	-	-	-	**1,027**
Total	**9,086**	**8**	**24**	**5**	**9,123**

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables and bank balances which are held in USD, AED, KWD and EUR. The fluctuation in the exchange rate of INR related to USD, AED, KWD and EUR may have a material impact on the Company's assets and liabilities.

In respect of the foreign currency transactions, the Company manages the exchange rate exposure by entering into forward contracts where the exposure is significant. Further, some of the exposures are kept open since the management believes the same will be offsetted by the corresponding receivables and payables which will be in the nature of natural hedge.

The Company's exposure to foreign currency risk at the end of reporting period are as under: **(₹ in lacs)**

Particulars	**31 March 2018**				31 March 2017				1 April 2016			
	USD	**AED**	**KWD**	**EUR**	USD	AED	KWD	EUR	USD	AED	KWD	EUR
Financial assets												
Trade receivables	**1,075**	**-**	**-**	**52**	667	-	-	45	452	-	-	49
Unbilled revenue	**728**	**-**	**9,224**	**-**	418	-	5,539	-	407	-	-	-
Bank balances	**147**	**-**	**-**	**-**	386	11	-	-	7	7	-	-

Particulars	31 March 2018				31 March 2017				1 April 2016			
	USD	AED	KWD	EUR	USD	AED	KWD	EUR	USD	AED	KWD	EUR
Derivative Contracts - Assets												
Foreign exchange forward contracts	**(1,111)**	**-**	**-**	**-**	(504)	-	-	-	(119)	-	-	-
Net exposure to foreign currency risk (assets)	**839**	**-**	**9,224**	**52**	967	11	5,539	45	747	7	-	49
Financial liabilities												
Trade payables	**522**	**-**	**2,023**	**87**	283	-	3,003	36	84	-	-	56
Derivative Contracts - Liabilities												
Foreign Exchange forward contracts	**(182)**	**-**	**-**	**-**	(283)	-	-	-	(69)	-	-	(45)
Net exposure to foreign currency risk (liabilities)	**340**	**-**	**2,023**	**87**	-	-	3,003	36	15	-	-	11

Sensitivity Analysis

The following table demonstrates the sensitivity in USD, EUR, AED and KWD with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lacs)

Currencies	31 March 2018		31 March 2017	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	**25**	**(25)**	48	(48)
AED	**-**	**-**	1	(1)
KWD	**360**	**(360)**	127	(127)
EUR	**(2)**	**2**	0*	0*

* Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

(ii) Price Risk

The Company is exposed to price risk from its investment in mutual fund and debentures classified in the balance sheet at fair value through profit and loss.

To manage its price risk arising from the investment, the Company has invested in the mutual funds after considering the risk and return profile of the mutual funds.

Sensitivity Analysis **(₹ in lacs)**

Particulars	31 March 2018	31 March 2017
Impact on profit before tax for 5% increase in NAV / Price	**12**	53
Impact on profit before tax for 5% decrease in NAV / Price	**(12)**	(53)

Note 51 - Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans. Total equity comprises of Equity share capital, General reserve, Capital redemption reserve and Retained earnings.

A. The capital composition is as follows:

(₹ in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt (A)	**8,132**	3,564	268
Equity (B)	**24,502**	23,486	22,516
Gearing ratio (A / B)	**0.33**	0.15	0.01

B. Dividends (₹ in lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Equity dividend*		
Final dividend for the year ended 31 March 2017 of Rs. 5 (31 March 2016 - Rs. 5) per fully paid share	**680**	680
Dividend distribution tax on final dividend	**138**	138
(b) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs. 5 (31 March 2017 - Rs. 5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting	**680**	680
Dvidend distribution tax on proposed dividend	**138**	138

Note 52 - Earnings per share (₹ in lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit after tax for the year (in Rs.)	**1,841**	1,785
Profit attributable to equity share holders (in Rs.)	**1,841**	1,785
Weighted Average Number of equity shares outstanding during the year	**1,35,98,467**	13598467
Basic and Diluted Earnings Per Share (Rs.)	**13.54**	13.13
Face Value per Share (Rs.)	**10.00**	10.00

Note 53 - Details of dividend remitted to non-resident shareholders in foreign currency:* (₹ in lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Number of non-resident shareholders	**64**	66	66
Number of equity shares held	**8,766**	9,263	9,363
Financial year ended for which dividend is remitted	**2016-17**	2015-16	2014-15
Amount of dividend remitted (₹ in lacs)	**0.44**	0.46	0.47

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

Note 54- Revenue expenditure incurred during the year on research and development amounts to Rs. 338 lacs (31 March 2017: Rs. 415 lacs, 1 April 2016: Rs. 371 lacs) (including depreciation Rs. 29 lacs, 31 March 2017: Rs. 23 lacs, 1 April 2016: Rs. 20 lacs) and capital expenditure thereof amounts to Rs. 43 lacs (31 March 2017: Rs. 92 lacs, 1 April 2016: Rs. 14 lacs).

Note 55- First time adoption of Ind AS:

A) Transition to Ind AS:

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

i) Optional exemptions availed

Business combinations

The Company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The Company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

ii) Mandatory exceptions applied

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B) First time adoption reconciliations:

(a) Reconciliation of other equity from Previous GAAP to Ind AS **(₹ in lacs)**

Particluars	Note	Equity as at 31 March 2017	Equity as at 1 April 2016
Other equity as per previous GAAP		**22156**	**20,312**
Reversal of proposed dividend (including tax)	B.1	-	818
Deferment of revenue	B.2	(59)	(86)
Measurement of derivative financial instruments at fair value*	B.3	(13)	0
Measurement of financial assets at fair value	B.4	70	188
Measurement of financial liabilities at fair value	B.5	(50)	(50)
Interest income on unwinding of discount on financial assets*	B.6	15	0
Interest expense on unwinding of discount on financial liabilities*	B.7	(8)	0
Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income	B.8	(5)	-
Provision for doubtful debts as per expected credit loss model	B.9	(6)	(12)
Deferred tax impact on above adjustments	B.10	23	(14)
Actuarial gain/(loss) on employee benefit obligations	B.8	5	-
Deferred tax impact on Actuarial gain/(loss) on employee benefit obligations	B.8	(2)	-
Other equity as per Ind AS		**22,126**	**21,156**

(b) Reconciliation of profit and loss for the year 2016-17 **(₹ in lacs)**

Particluars	Note	Year ended 31 March 2017
Net Profit for the period as per previous GAAP		**1,844**
Deferment of revenue	B.2	27
Measurement of derivative financial instruments at fair value	B.3	(13)
Measurement of financial assets at fair value	B.4	(115)
Interest income on unwinding of discount on financial assets	B.6	14
Interest expense on unwinding of discount on financial liabilities	B.7	(9)

Particluars	Note	Year ended 31 March 2017
Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income	B.8	(5)
Provision for doubtful debts as per expected credit loss model	B.9	6
Deferred tax impact on above adjustments	B.10	37
Actuarial gain/(loss) on employee benefit obligations	B.8	5
Deferred tax impact on above adjustment	B.8	(2)
Profit and loss as per Ind AS		**1,789**

All the adjustments on account of Ind AS are non-cash in nature and hence there is no material impact on statement of Cash flows for the year ended 31 March 2017.

*Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

Explanations to reconciliations

B.1 Reversal of proposed dividend (including tax)

Previous GAAP – Proposed dividends were recognised as a liability as an adjusting event occurring after the balance sheet date.

Ind AS – Dividends are non-adjusting events after the balance sheet date and hence recognised as and when approved by the shareholders.

Consequent to the above, dividends proposed (incl. tax thereon) as at 1 April 2016 of Rs. 818 lacs have been reversed in equity. Effect of dividends approved during the year 2016-17 (incl. tax) of Rs. 818 lacs has been recognised in other equity.

B.2 Deferment of revenue

Impact on account of deferment of revenue

Previous GAAP - Revenue from sale of goods is recognised on dispatch from the factory premises.

Ind AS - Revenue should be recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of goods

Impact on account of Provision for sales return

Previous GAAP - Sales return are accounted as and when they actually occur.

Ind AS - Sales return are accounted on estimated basis. The liability for expected sales returns is recognised at the times of sales. Revenue is presented net of such sales returns.

Impact on account of deferment of freight service

Previous GAAP - Revenue for sale of goods, freight and insurance services is recognised as per the agreed terms. Revenue recognition does not provide guidance on identification of transactions including the requirement to apply the revenue recognition criteria separately to identifiable components or linked transactions.

Ind AS - In an arrangement comprising of more than one performance obligation, the total consideration shall be allocated to each of the obligations i.e. separate component. Revenue for each separate component should be recognised separately as per the respective recognition principles i.e. Sale of goods when the risks and rewards of ownership are transferred to the customer and Sale of services with respect to the stage of completion.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 59 lacs (1 April 2016: Rs. 86 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs 27 lacs.

B.3 Measurement of derivative financial instruments at fair value

Previous GAAP - For derivatives, forward premium (i.e. difference between spot rate on the date of contract and the contractual forward rate) is amortised over the life of the forward contract. Exchange differences on the reporting date are recognised in the statement of profit or loss.

Ind AS - Forward contracts (derivatives) are recognised at fair value on initial recognition and subsequently at fair value through profit and loss.

The gain or loss on settlement of forward contracts recognised under previous GAAP has been restated under Ind AS.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 13 lacs (1 April 2016: Rs. 0.01 lac) and profit and other comphrensive income for the year ended 31 March 2017 has decreased by Rs. 13 lacs.

B.4 Measurement of financial assets at fair value

Impact of financial asset (Loan to subsidiary) measured at amortised cost

Previous GAAP - Interest free loans given to subsidiary were recognised at the gross transaction price and subsequently reduced for repayments.

Ind AS - Loans are financial assets and are initially recognised at fair value and since the loan is from shareholder the difference between the fair value and transaction price is recognised as deemed investment in the subsidiary. Subsequently, loans to subsidiary are measured at amortised cost resulting in interest income recognised in the statement of profit and loss at the effective interest rate.

Impact of financial assets measured at Fair value throught profit or loss

Previous GAAP – The current investments are measured at lower of cost or fair value

Ind AS – Investment in mutual funds are financial assets. For the purposes of Ind AS 109, mutual fund investments will be considered as debt instruments. Since the cash flows from mutual funds do not represent solely payments of principal and interest (SPPI) criteria, the same will be measured at fair value through profit and loss at each reporting date.

Consequent to the above, the other equity as at 31 March 2017 has increased by Rs. 70 lacs (1 April 2016: Rs. 188 lacs) and profit and other comphrensive income for the year ended 31 March 2017 decreased by Rs. 115 lacs.

B.5 Measurement of financial liabilities at fair value

Previous GAAP - Loans were measured at cost.

Ind AS - Loans are valued at present value. This adjustment includes the difference between the book value and the present value of interest free loan. The interest on the present value of this loan is recognised over the tenure of the loan using the EIR method.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 50 lacs (1 April 2016: Rs. 50 lacs).

B.6 Interest income on unwinding of discount on financial assets

Previous GAAP - The employee loans disbursed at subsidised rate, interest free rent deposits given to lessor are recorded at their gross transaction value.

Ind AS - Loan / deposits given are financial assets and are initially recognised at fair value.

The difference between the fair value and transaction value of the loan / deposits has been recognised as deferred employee cost / prepaid rent and amortised over the agreed period. Subsequently, the loan will be measured at amortised cost resulting into recognition of salary / rent expense and accrual of finance income in the statement of profit and loss.

Consequent to the above, the other equity as at 31 March 2017 has increased by Rs. 15 lacs (1 April 2016: Rs. 0.08 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs. 14 lacs.

B.7 Interest expense on unwinding of discount on financial liabilities

Previous GAAP - Interest free rent deposits received from lessees and deposits from trainees / employees were recognised at the gross transaction price.

Ind AS – Interest free deposits are financial liabilities and are initially recognised at fair value. **In case of rent deposits:** The difference between the fair value and transaction price is recognised as Advance income and amortised over the agreed term. Deposit is subsequently measured at amortised cost resulting into recognition of rent income / finance income and finance expense in the statement of profit and loss.

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 8 lacs (1 April 2016: Rs. 0.48 lac) and profit and other comphrensive income for the year ended 31 March 2017 decreased by Rs. 9 lacs.

B.8 Reclassification of actuarial gain on employee benefit obligations to Other comprehensive income

Previous GAAP - Actuarial gains / (loss) on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / (loss) on defined benefit obligations is recognised in other comprehensive income (OCI).

Consequent to the above, actuarial gains of Rs, 5 lacs and deferred tax liability of Rs. 2 lacs, has been recognised in OCI.

B.9 Provision for doubtful debts as per expected credit loss model

Previous GAAP - The provision for doubtful debts are made based on the debtors realisation period and policy framed by the Company i.e. when there is an objective evidence of impairment

Ind AS - An impairment loss shall be recognised as per the expected credit loss model on all financial assets (other than those measured at fair value)

Consequent to the above, the other equity as at 31 March 2017 has decreased by Rs. 6 lacs (1 April 2016: Rs. 12 lacs) and profit and other comphrensive income for the year ended 31 March 2017 increased by Rs. 6 lacs.

B.10 Deferred tax impact

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.

Note 56 - Amounts below ₹ 0.49 lac have been rounded off, as per norms of the Company.

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

For and on behalf of the Board of Directors

Aruna B. Advani
Executive Chairman
DIN : 00029256

Nikhilesh Nagar
Partner
Membership No. 079597

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Place : Mumbai
Date : 30 May 2018

Place : Mumbai
Date : 30 May 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees.)

Sr. No.	Particulars	Details
1.	Sr. No.	
2.	Name of the subsidiary	**ADOR WELDING ACADEMY PVT. LTD.**
3.	The date since when subsidiary was acquired	**NA**
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**NA**
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
6.	Share capital	**Rs. 3,00,00,000/-**
7.	Reserves & surplus	**Rs.(2,68,99,474/-)**
8.	Total assets	**Rs. 1,28,45,962/-**
9.	Total Liabilities	**Rs. 43,98,455/-**
10.	Investments	**NIL**
11.	Turnover	**Rs. 72,70,405/-**
12.	Profit before taxation	**Rs. (14,67,301/-)**
13.	Provision for taxation	**NIL**
14.	Profit after taxation	**Rs. (15,03,017/-)**
15.	Proposed Dividend	**NIL**
16.	Extent of shareholding (In percentage)	**100%**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NA
2. 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

Place : Mumbai
Date : 30 May 2018

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

Girish A. Patkar
Chief Financial Officer

S.M. Bhat
Managing Director
DIN : 05168265

Notes

ADOR WELDING ACADEMY PVT LTD.

Registered Office: A-108, H Block, MIDC, Pimpri, Pune 411 018 Maharashtra, INDIA, Telefax : +91 20 4070 6300

Ador Welding Academy (AWA), in the financial year 2017-18 has kept its growth momentum consistent.

Under AWS's knowledge partnership, AWA has total 9 centres across India

- Killari, Dist. Latur, Maharashtra
- Chandrapur, Maharashtra
- Hosur, Karnataka
- Chennai, Tamil Nadu
- Roorkee, Uttarakhand
- Gandhinagar, Gujarat
- Kodinar, Gujarat
- Okhla, Uttar Pradesh
- Pune, Maharashtra

AWA has successfully trained one more batch of 20 fresh welders for M/s. GE India's Chakan plant. These candidates have started working on GE's shop floor as welders.

AWA also conducted "Train the Trainers" Program in association with Capital Goods Skill Council (CGSC) to support "Pradhan Mantri Kaushal Vikas Yojana (PMKVY)".

AWA, in keeping with its objective of creating livelihood by promoting welding as career option, has provided training to 27 underprivileged youth as welders. This Training was funded under CSR initiatives / sponsored by many Corporates.

In FY 2017- 18, about 35 batches of "onsite" and "in-house" training programs, 564 participants got trained at AWA. In the coming years, for the first time in India, AWA is looking forward to launch new training program i.e. "Ador Weld Artist" in the field of visual Art.

Sponsored Batches

Capital Goods Skill Council - Training of Trainers

M/s GE India – Batch – GTAW welding

M/s Case New Holland - Welders Trained on GMAW & SPOT Welding for 4 weeks

Our Market Reach

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Overseas Sales Office

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Free Zone (SAIF Zone): Q3 216,
P.O. Box No.: 120025, Sharjah, U.A.E.
Tel : 00971 6557 8601
Fax : 00971 6657 8602
E-mail : exports@adorians.com

ADOR WELDING LIMITED

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 **| Email:** investorservices@adorians.com, cmo@adorians.com
CIN: L70100MH1951PLC008647