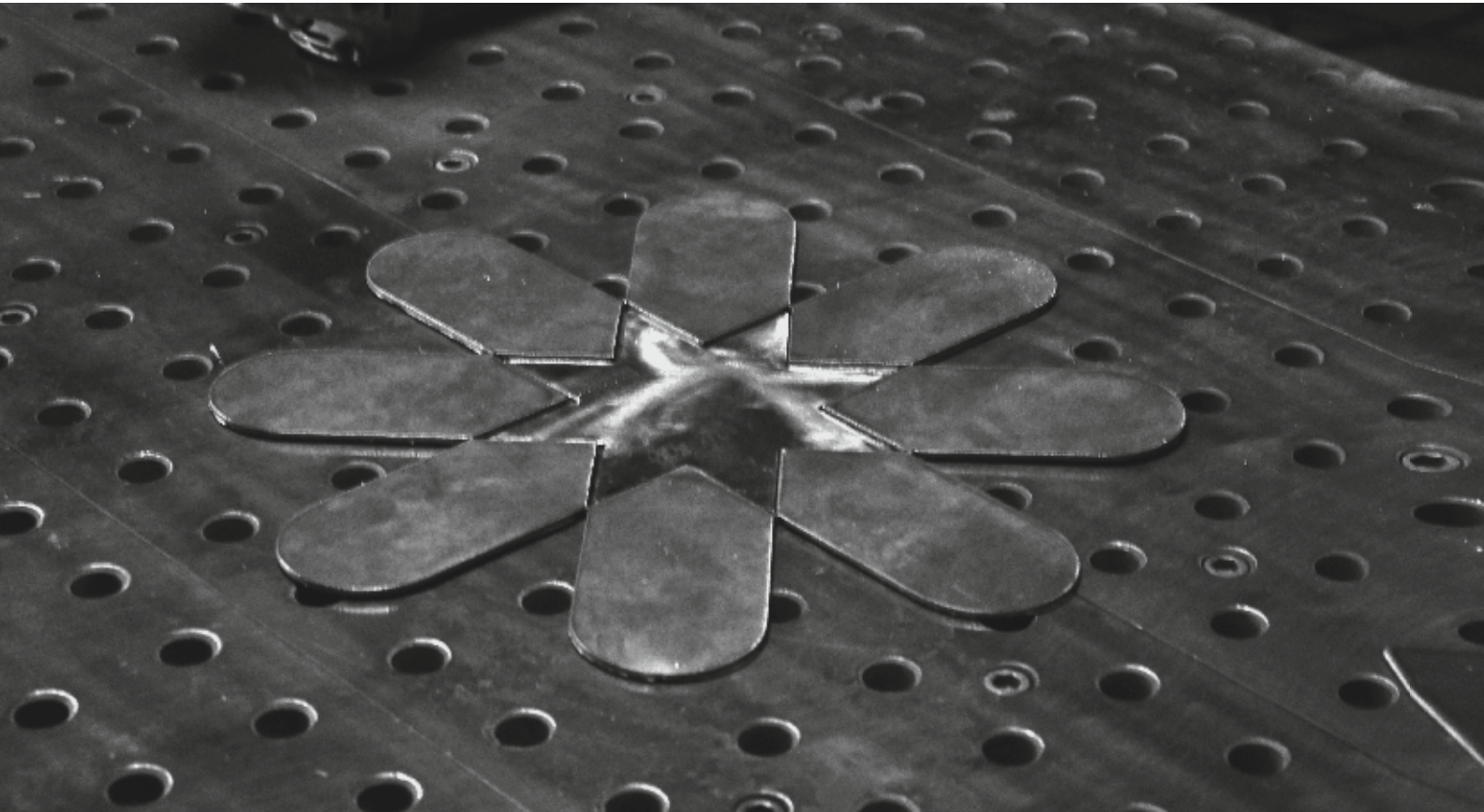


ADOR WELDING LIMITED



peace of mind™



68th ANNUAL REPORT for FY 2020-21.

CREATING THE BEST WELDING EXPERIENCE

www.adorwelding.com

Introducing Our **REFRESHED PACKAGING**

Ador Welding is working towards **CREATING THE BEST WELDING EXPERIENCE** for you.

Our strong foundations, combined with our hunger to deliver on this objective, give us a new spirit.

Unveiling our sleek new packaging, reflecting our promise of the refreshed new experience you will have with ADOR.



CREATING THE BEST WELDING EXPERIENCE

As we enter into FY 2021-22, we are taking a refreshed approach to become a more customer-focused organization.

Hence, we wish to align all our people, systems and processes towards our **vision of Creating the best welding experience.**

We have identified three core values to achieve our vision:

▀ "I relentlessly deliver on product **Performance**"

▀ "I consistently deliver on promises to build **Trust**"

▀ "I deliver the best **Customer Experience** at every touch point"

We believe that your support is critical to achieve this vision and provide **peace of mind** to distributors & customers, dealing with brand ADOR.



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CONTACT US

REGISTERED & CORPORATE OFFICE:

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

PLANTS - Consumables

SILVASSA

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

RAIPUR

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

CHENNAI

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

Equipment, Plant & Project Engineering Business Division and Corporate Marketing Office

CHINCHWAD, PUNE

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

Domestic Regional Offices

COIMBATORE

Ramkrishna Bagh, 1289, Trichy
Road, Coimbatore 641 018,
Tamil Nadu, India.
Tel : +91 4224393013

DELHI

C-116, Naraina Industrial Area,
Phase 1,
New Delhi 110 028, India.
Tel : +91 11 43304333

KOLKATA

P-5, C.I.T. Road, 7th Floor,
Scheme LV, Moulali, Kolkata 700 014,
West Bengal, India.
Tel : +91 33 40084862 / 63

RAIPUR

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

CHINCHWAD, PUNE

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

Overseas Office

SHARJAH

Sharjah Airport International, Free Zone (SAIF): Q3 216, P. O. Box No.: 120025, Sharjah, UAE
Tel : 00971 6557 8601 | Fax : 00971 6657 8602 | E-mail : exports@adorians.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Ninotchka Malkani Nagpal	- Executive Chairman
Mr. A. T. Malkani	- Managing Director (w.e.f. 14 th September, 2020)
Mr. D. A. Lalvani	- Whole Time Director
Mr. R. A. Mirchandani	- Non – Executive Director
Ms. Tanya H. Advani	- Non – Executive Director
Mr. P. K. Gupta	- Non – Executive & Independent Director
Mr. R. N. Sapru	- Non – Executive & Independent Director
Mr. K. Digvijay Singh	- Non – Executive & Independent Director
Mr. G. M. Lalwani	- Non – Executive & Independent Director
Mrs. Nita Dempo Mirchandani	- Non – Executive & Independent Director
Mr. M. K. Maheshwari	- Non – Executive & Independent Director (upto 07 th December, 2020)
Mr. S. M. Bhat	- Managing Director (upto 07 th September, 2020)

SENIOR MANAGEMENT TEAM

Mr. S. K. Palit
Mr. V. M. Bhide
Mr. V. H. Bansal
Mr. S. V. Sethia

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. V. M. Bhide

STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai

SECRETARIAL AUDITORS

M/s. N. L. Bhatia & Associates, Company Secretaries, Mumbai

INTERNAL AUDITORS

M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune

COST AUDITORS

M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai

SOLICITORS

M/s. Nanu Hormasjee & Co., Mumbai

BANKERS

M/s. HDFC Bank Ltd.
M/s. IDFC First Bank Ltd.
M/s. Kotak Mahindra Bank Ltd.
M/s. Bank of Baroda
M/s. Citibank N. A.

REGISTERED OFFICE

Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001 – 16, Maharashtra, INDIA
Tel: +91 22 6623 9300, 2284 2525 | **Fax:** +91 22 2287 3083
Email: investorservices@adorians.com, cmo@adorians.com
Web: www.adorwelding.com

CORPORATE IDENTIFICATION NUMBER (CIN)

L70100MH1951PLC008647

REGISTRAR & SHARE TRANSFER AGENT (RTA)

M/s. Link Intime India Pvt. Ltd.
C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.
Tel: +91 22 4918 6000 | **Fax:** +91 22 4098 6060
E-mail: rnt.helpdesk@linkintime.co.in | **Web:** www.linkintime.co.in

BOARD OF DIRECTORS

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



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

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

- 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. Aditya T. Malkani
Managing Director
(DIN: 01585637)

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



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



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

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

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



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



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

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



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

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

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



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



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

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

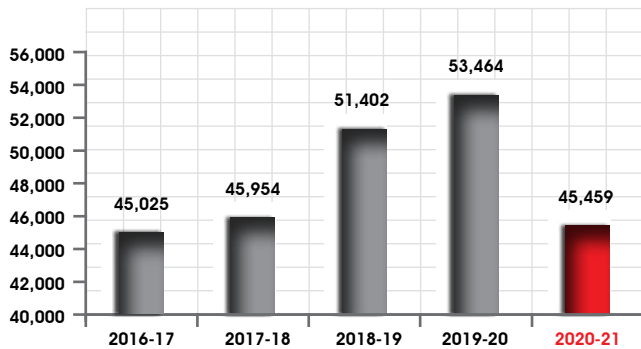


Mr. K. Digvijay Singh
Non - Executive &
Independent Director
(DIN: 00004607)

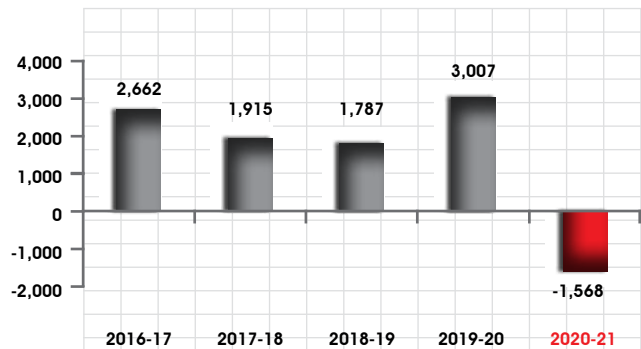
- BA (Hons.) Economics from St Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur
- Over 40 years of operating and / or advisory experience in FMCG, Television Networks, Newspapers, Sports Marketing, and Technology companies
- Has held operating responsibilities for India and International markets (UK & Europe, USA, Africa, GCC, Asia, Australasia)
- Has lived in and worked from postings in India, Nigeria, UK, and Singapore. Currently lives in and operates from Singapore
- Worked with Unilever India (sales & marketing); Afcott Nigeria; and Kanmoor Foods India, before transitioning to media & entertainment.
- Worked in the media industry as Executive President of Zee TV (1992-1995), CEO of Zee TV International (1996-97), Group CEO Indian Express Newspapers (1998-2000), CEO Internet Company of India (2000-01), CEO Nimbus Sport (2002-2007) and CEO Nimbus Communications (2008-09)
- Project assignments with Enfold Inc. USA, T2 Diamond Singapore over 2013-2019
- Director at Nimbus Sport (2009-2012); Advisory Board at Euromax (2007-2014); Non-Executive Independent Director at Mercury Travels Ltd (2014-2018);
- Member of Board of Governors of Spirit of Enterprise, Singapore 2017-2019
- Served as an Independent Non-Executive Director on the Board of Thomas Cook India Ltd. (1999- 2006) and Ador Welding Ltd. (2009- till date)

Five Year Financial Statistics

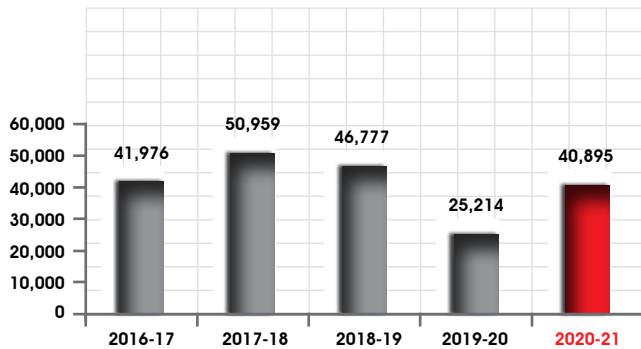
(STANDALONE)



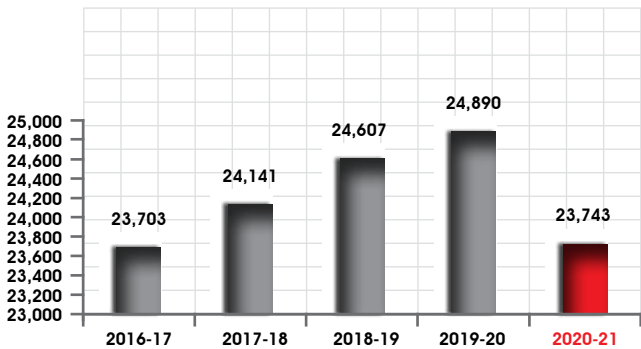
Turnover (Rs. in Lakhs)



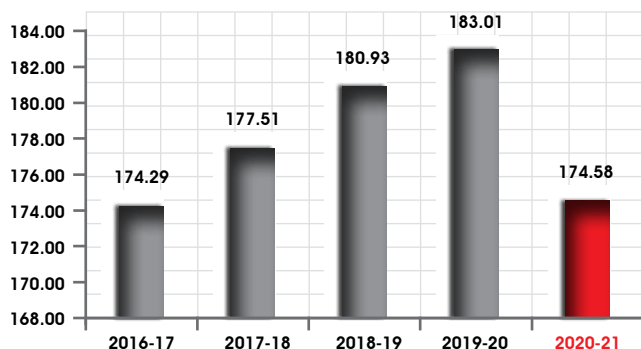
Profit Before Tax (PBT) (Rs. in Lakhs)



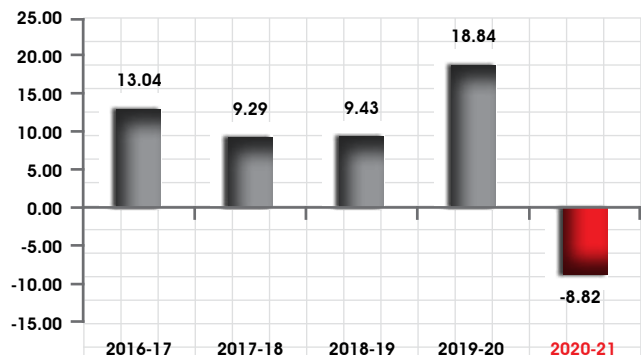
Market Capitalization (Rs. in Lakhs)



Net Worth (Rs. in Lakhs)



Book Value Per share (BVPS) (Rs.)



Earning Per Share (EPS) (Rs.)

Five Year Financial Highlights

(STANDALONE)

(Amount Rs. in Lakhs)

PROFIT & LOSS ACCOUNT	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Sales & Other Income	45,459	53,464	51,402	45,954	45,025*
Manufacturing & Other Expenses	42,739	48,528	47,750	42,501	41,137
Operating Profit / EBITDA	2,720	4,936	3,652	3,453	3,888
Depreciation	1,110	1,068	960	1,008	1,122
EBIT	1,610	3,868	2,692	2,445	2,766
Interest	641	861	905	530	104
Profit before exceptional items and tax (PBT)	969	3,007	1,787	1,915	2,662
Exceptional Items (Net)	(2,537)	-	-	-	-
Profit before tax (PBT)	(1,568)	3,007	1,787	1,915	2,662
Taxation	(369)	445	505	651	888
Profit after Tax (PAT)	(1,199)	2,562	1,282	1,264	1,774
Comprehensive Income/loss	52	(147)	4	(7)	3
Total Comprehensive income/ (loss)	(1,147)	2,415	1,286	1,257	1,777
Dividend (incl. DDT)	-	1,066#	1,066	818	818

*Net of excise duty

Interim Dividend

BALANCE SHEET	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Net Fixed Assets (incl. CWIP and Investment in properties)	11,969	12,486	11,575	10,299	10,511
Investments	1,178	635	694	597	1,418
Current Assets	20,209	26,739	25,941	28,268	23,064
Current Liabilities	13,265	18,032	16,616	17,327	13,269
Net Current Assets	6,944	8,707	9,325	10,941	9,795
Other Non-Current Assets	4,152	4,024	4,098	3,372	2,962
Capital Employed	24,243	25,852	25,692	25,209	24,686
Equity Share Capital	1,360	1,360	1,360	1,360	1,360
Reserves & Surplus	22,383	23,530	23,247	22,781	22,343
Net Worth	23,743	24,890	24,607	24,141	23,703
Deferred Tax Liabilities	-	423	883	806	744
Long-term provisions	359	387	172	240	203
Other long term liabilities	141	152	30	22	36
Capital Employed	24,243	25,852	25,692	25,209	24,686

RATIOS	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
EBITDA Margin (%)	6.12%	9.41%	7.25%	7.68%	8.82%
Net Margin (%)	-2.70%	4.88%	2.55%	2.81%	4.02%
Interest Cover (EBITDA / Gross Interest)	4	6	4	7	37
ROCE (EBIT / Capital Employed) (%)	6.64%	14.96%	10.48%	9.70%	11.20%
Current Ratio (times)	1.52	1.48	1.56	1.63	1.74
Debt Equity Ratio (times)	0.00	0.00	0.00	0.00	0.00
Dividend Per Share (DPS) (Rs.)	0.00	6.50#	6.50	5.00	5.00
Earning Per Share (EPS) (Rs.)	-8.82	18.84	9.43	9.29	13.04
Book Value per share (Rs.)	174.58	183.01	180.93	177.51	174.29

Interim Dividend

CREATING THE BEST WELDING EXPERIENCE

EQUIPMENT



SILENT CHALLENGER 302C



CHAMP MULTI 600

WELDING CONSUMABLES



GAS CUTTING PRODUCTS, PERSONAL PROTECTIVE EQUIPMENT (PPE) ACCESSORIES



WELDING AUTOMATION PRODUCTS & SYSTEM (WAPS)



COLUMN & BOOM

POSITIONER

CNC CUTTING



KING CUT EDGE

DIRECTORS' REPORT

To,

The Members,

The Directors take immense pleasure in presenting the Sixty Eighth (68th) Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31st March, 2021.

1.0 CORPORATE OVERVIEW

Your Company, Ador Welding Limited (AWL) was incorporated in the year 1951 and has come a long way to become one of India's leading players in the welding industry. Your Company's Vision is "Creating the Best Welding Experience".

AWL has a huge spectrum of products offering and aims to provide "Complete Welding Solutions" to the "World of Manufacturing" for enhancing their operational efficiency".

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

2.0 FINANCIAL PERFORMANCE

Sr. No.	Key Financial Indicators	(Rs. in Lakhs)			
		For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
		Standalone		Consolidated	
2.1	Sales & Other Income (Net of GST, Discount & Incentives)	45,459	53,464	45,507	53,539
2.2	Profit before Interest, Depreciation, Tax & Other Comprehensive Income	2,720	4,936	2,749	4,989
2.3	Profit before Tax (PBT)	(1,568)	3,007	(1,406)	3,053
2.4	Provision for Tax (Including Deferred Tax)	(369)	445	(368)	441
2.5	Profit / (Loss) after Tax (PAT)	(1,199)	2,562	(1,038)	2,612
2.6	Total Comprehensive Income (Loss)	(1,147)	2,415	(986)	2,465

The Financial Year (FY) 2020-21 was quite challenging and affected the performance of the Company, due to worldwide spread of COVID-19. The financial performance of the Company was also affected due to certain exceptional items, as a result of which, the Company has incurred loss for the year.

During FY 2020-21, the Company has made certain provisions towards doubtful receivables and diminution in the value of investment in Ador Welding Academy Private Limited (AWAPL), which has been considered as "exceptional item" and has been disclosed

separately, in its financial statements, under Note-62 of the audited financial statements.

3.0 DIVIDEND & RESERVES

- 3.1 The Board of Directors, in view of the losses incurred by the Company, has not recommended any Dividend for the Financial Year (FY) 2020-21. Dividend (Interim) for the previous FY 2019-20 was declared @ 65% (i.e. @ Rs. 6.50 per Equity Share)*.
- 3.2 The total amount of Dividend, to be disbursed for FY 2020-21, is therefore Nil (Rs. 883.90 Lakhs)*

4.0 SHARE CAPITAL

The paid up Equity Share Capital of the Company as at 31st March, 2021 stood at Rs. 1,359.85 Lakhs. During the year under review, the Company has neither issued shares nor convertible securities, nor shares with differential voting rights, nor granted any stock options or sweat equity or warrants. As at 31st March, 2021, none of the Directors of the Company hold any instruments, which are convertible into Equity Shares of the Company.

5.0 FINANCE & ACCOUNTS

During the year under review, the Rating Agency CARE assigned "A+" (Single A Plus; Outlook: Stable) rating for the Company's long term borrowings and maintained "A1+" (A One Plus) rating for the Company's short term borrowings.

As mandated by the Ministry of Corporate Affairs (MCA), the financial statements for the financial year ended 31st March, 2021 have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the Companies (Accounts) Rules, 2014, as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect a true & fair form & substance of transactions and reasonably present the Company's state of affairs, profits & cash flows for the financial year ended 31st March, 2021.

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

6.0 RE-STATEMENT OF ACCOUNTS / FINANCIALS

During the Financial year 2020-21, the Company was made aware of certain liquidated damages and project cost overrun, with respect to delay in the execution of an Engineering Procurement and Construction (EPC) project. The Management was of the view that the impact of this should be restated in the respective lines of the financial statements/ information of the previous periods.

Pursuant to the impact of aforesaid changes, the Company has restated the financial statements / results for the comparative periods,

in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. The Retained Earnings (other equity) as at 01st April 2019, within the Statement of Changes in Equity, have also been restated to adjust the impact of such adjustments, which relate to the prior periods. The impact of aforesaid restatements has been appropriately disclosed in audited financial statements.

7.0 OPERATIONS

In FY 2020-21, the total Sales & Other Income decreased by 15% compared to last FY 2019-20. The year ended with Sales & Other Income of Rs. 45,459 Lakhs. (Rs. 53,464 Lakhs)*.

The Company's Net Sales and Other Income during FY 2020-21 comprised the following:

- 7.1 Welding Consumables at Rs. 35,220 Lakhs (Rs. 40,391 Lakhs)*
- 7.2 Equipment and Welding Automation at Rs. 7,049 Lakhs (Rs. 7,354 Lakhs)*
- 7.3 Projects at Rs.2,459 Lakhs (Rs.4,811 Lakhs)*
- 7.4 Other Income of Rs. 731 Lakhs mainly comprised of forex gain, interest, rent & export incentives etc. (Rs. 908 Lakhs)*

(*Figures in brackets indicate previous year)

8.0 CAPEX

The Company incurred CAPEX of Rs. 555 Lakhs during FY 2020-21. The Capital work-in-progress as at 31st March, 2021 was Rs.327 Lakhs. CAPEX planned for FY 2021-22 is Rs.1,724 Lakhs, mainly for the following:-

- a) Automation / modernization at Consumables and Equipment Plants.
- b) Plant and Machinery for capacity expansion of certain products, and also for improvement of "productivity & in-process quality".
- c) Replacement of Old Machineries.
- d) Upgradation of R&D Infrastructure.
- e) For conducting various modern tests and analysis, for enabling improved performance of the products.
- f) Information Technology upgradation, digitalisation and Compliances.
- g) Replacement of Vehicles

9.0 PERFORMANCE OF THE SUBSIDIARY COMPANY

The Company does not have any material subsidiary. The Board of Directors of the Company has approved a Policy for determining material subsidiaries, which is in line with SEBI (LODR) Regulations 2015, as amended from time to time. The said Policy has been uploaded on the Company's website at the following weblink:

https://www.adorwelding.com/images/pdf/corporate_policies/Policy-for-determining-Material-Subsidiary.pdf

Ador Welding Academy Private Limited (AWAPL)

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

In FY 2020-21, AWAPL registered a total revenue of Rs 61.95 Lakhs (Rs. 104.38 Lakhs)*, with a profit (before exceptional items & tax) of Rs. 20.37 Lakhs (Profit before Tax of Rs. 45.48 Lakhs)*.

During FY 2020-21, due to economic slowdown & several restrictions imposed owing to the Novel Coronavirus / COVID-19 pandemic, the Company did not get expected number of candidates for training. This has resulted in lower sales than FY 2019-20. In spite of this, AWAPL could make a substantial contribution to the technical upgradation of the human resource base in the welding industry. AWAPL, considering the lock-down situation, then catered to providing vocational training online i.e. through webinars & other electronic mode and has successfully undertaken & completed various welding initiatives / projects electronically.

(*Figures in brackets indicate previous year)

10.0 CONSOLIDATED FINANCIAL STATEMENT

The Consolidated financial statements relate to M/s. Ador Welding Ltd. (AWL) and its wholly owned

subsidiary, M/s. Ador Welding Academy Pvt. Ltd. (AWAPL). The consolidated financial statement of the Company and its subsidiary for FY 2020-21 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of SEBI (LODR) Regulations, 2015 as well as in accordance with Section 136 of the Companies Act, 2013 as well as the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The standalone financial statements of AWAPL are posted onto the website of the Company, which can be viewed at the following web link: <https://www.adorwelding.com/images/pdf/AWAPL--Financial-Statements-for-FY-2020-21.pdf> and hence, the same are not annexed to this 68th Annual Report.

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

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

11.0 RISK MANAGEMENT

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

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

12.0 RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions (RPTs) is approved by the Board of Directors and the same is uploaded on the Company's website, which can be viewed at the following web link:

https://www.adorwelding.com/images/pdf/corporate_policies/RPT_policy.pdf

During FY 2020-21, the Company entered into certain Related Party Transactions, in the ordinary course of business and on arm's length basis, with prior approval of the Audit Committee. There were no material related party transactions (RPTs) undertaken by the Company during the year under review, that required shareholders' approval under Regulation 23(4) of SEBI (LODR) Regulations, 2015 or Section 188 of the Companies Act, 2013. The Audit Committee grants omnibus approval for entering into certain transactions with the related parties, which are foreseen & repetitive in nature. A detailed summary of the Related Party Transactions vis-à-vis the omnibus approval is placed before the Audit Committee for its review on a quarterly basis.

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

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

13.0 ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act, the draft of Annual Return for FY 2020-21 in form MGT-7 is available on the Company's website: <https://www.adorwelding.com/images/pdf/Draft-eform-MGT-7-for-FY-2020-21.pdf>

14.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its CSR initiative, the Company spent an amount of Rs. 49.18 Lakhs during FY 2020-21 out of its budgeted CSR expenditure of Rs. 58.58 Lakhs, considering re-statement of accounts & has parked Rs. 10.50 Lakhs in the Unspent Corporate Social Responsibility Account (UCSR) for an ongoing project. The various projects / initiatives undertaken by the Company are as follows:

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

The Company considers social responsibility as an integral part of its activities and endeavours to utilize the allocable CSR budget for the benefit of the society at large, with the aim to create a long-term positive impact. Out of its CSR Budget of FY 2020-21, Rs 10.50 Lakhs is parked in a separate bank account for an "ongoing project", as recommended by the CSR Committee and approved by the Board. The said amount will be utilised in the next 3 financial years in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out, pursuant to format prescribed in the Companies (CSR Policy) Rules, 2014, in Annexure – I of this Report. The CSR Policy is available on Company's website at URL: <https://www.adorwelding.com/>

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

15.0 LOANS, GUARANTEES & INVESTMENTS

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

16.0 FIXED DEPOSIT

Your Company had no opening balances of Deposits. Further, the Company has not accepted or renewed any deposits, within the meaning of Section 73 of the Companies Act 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

17.0 SECRETARIAL STANDARDS (SS)

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

18.0 INSURANCE

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

19.0 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 - II**.

20.0 CORPORATE GOVERNANCE

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the Corporate Governance Code from FY 2001-02 onwards. The Company has complied with all the requirements of the Corporate Governance for the period 01st April, 2020 to 31st March, 2021 (i.e. FY 2020-21) pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 34(3) read with Schedule V to SEBI (LODR) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with Corporate Governance Compliance Certificate received from M/s. Walker Chandio & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, confirming compliance, forms an integral part of this Report, attached hereto as **Annexure - III**.

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

21.0 SIGNIFICANT & MATERIAL REGULATORY ORDERS

During FY 2020-21, there were no significant orders passed against the Company by any regulators or courts or tribunals, impacting the going concern status and the Company's operations in future. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes, forming part of the Financial Statement.

22.0 NOMINATION, REMUNERATION & BOARD DIVERSITY POLICY

The Board of Directors has framed a policy, on recommendation of the Nomination Remuneration Committee, which lays down a framework in relation to appointment and remuneration of its Directors. The Policy includes criteria for determining qualifications, positive attributes, independence of Director etc., as required under the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR)

Regulations 2015. The Policy also broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-executive Directors. The above policy has been posted on the website of the Company at following weblink : https://www.adorwelding.com/images/pdf/corporate_policies/criteria_for_payment_to_NEDs.pdf

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

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

23.0 INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations under Section 149(7) of the Act, stating that they meet the criteria of independence, as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. They have also given declaration under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank, as maintained by the Indian Institute of Corporate Affairs (IICA).

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

The Company has in all 5 (five) Independent Directors including 1 (one) Woman Independent Director as on 31st March, 2021. The Independent Directors met on 05th February, 2021, without the presence of Non-Independent Directors and Members of the Management, to review the matters, as required, under SEBI (LODR) Regulations, 2015 and the Companies Act 2013.

24.0 DIRECTORS & KEY MANAGERIAL PERSONNEL

During FY 2020-21 the following changes occurred in the composition of the Board of Directors of the Company:

- a) In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association (AOA), Ms. Tanya H. Advani (DIN: 08586636), Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment for consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Ms. Tanya H. Advani has been given in the Notice convening the 68th Annual General Meeting.
- b) The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC) appointed Mrs. Nita Dempo Mirchandani (DIN: 01103973) as an Additional Director (Non- Executive & Independent) with effect from 01st April, 2020, which was approved by the Members in the 67th Annual General Meeting.
- c) Mr. Satish M. Bhat (DIN: 05168265) Managing Director, tendered his resignation on & with effect from 07th September, 2020. The same was noted by the Board of Directors in its Meeting held on the same day and was relieved immediately.
- d) Mr. Aditya T. Malkani (DIN: 01585637) was re-designated & appointed as the Managing Director by the Board of Directors at its meeting held on 07th September, 2020, on recommendation of the Nomination and Remuneration Committee (NRC), for a period of three (3) years, with effect from Monday, 14th September, 2020,

subject to the approval of shareholders at the ensuing Annual General Meeting, considering his rich experience in business / strategic management, marketing and finance management as well as his long term association with the Company / Ador Group of almost 13 years. According to the Articles of Association of the Company, the Managing Director is not liable to retire by rotation.

The Board recommends his appointment for consideration to the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Aditya T. Malkani has been given in the Notice convening the 68th Annual General Meeting.

- e) Mr. Girish A. Patkar, Chief Financial Officer (CFO) was assigned a different role / responsibility in the organisation with effect from 09th September, 2020 & Mr. Surya Kant Sethia, Deputy General Manager (Finance & Accounts) was appointed as the interim Chief Financial Officer (CFO) of the Company w.e.f. 09th September, 2020.
- f) Mr. Manoj Kumar Maheshwari, (DIN: 00012341) Non-Executive & Independent Director, tendered his resignation on & with effect from 07th December, 2020 due to pre-occupation. The same was noted by the Board of Directors in its Meeting held on 05th February, 2021. Mr. M. K. Maheshwari was appointed as a Director on the Board from 28th March, 2005 and was on the Board for over 15 years. The Board places on record, its sincere appreciation for the contributions of Mr. M. K. Maheshwari, during his tenure as the Independent Director.
- g) Mr. Surya Kant Sethia was appointed as the Chief Financial Officer (CFO) & Key Managerial Personnel (KMP) of the Company by the Board of Directors at its meeting held on 05th February, 2021, on the recommendation of the Audit Committee and the Nomination & Remuneration Committee, with effect from Monday, 08th February, 2021.
- h) Pursuant to the succession planning at the Company, the Board, on the recommendation of the Nomination and

Remuneration Committee re-appointed Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) as the Whole-Time Director, designated as Executive Chairman of the Company, at its Meeting held on 05th February, 2021, for a period of 3 years, with effect from 07th May, 2021, subject to the approval of the Members at the ensuing Annual General Meeting, considering her expertise in the area of Financial Management, General Management & Strategic Financial planning, her business foresight and her rich, long-term association with the Company for over 20 years. She will be liable to retire by rotation.

The Board recommends her re-designation for consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mrs. Ninotchka Malkani Nagpal is given in the Notice convening the 68th Annual General Meeting.

- i) The Directors have submitted Form DIR-8, pursuant to Section 164 of the Companies Act, 2013 & Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, along with their consent in Form DIR-2 pursuant to Section 152 of the Companies Act, 2013 & Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- j) Necessary Resolutions for the appointment / re-appointment / re-designation of the abovenamed Directors have been included in the Notice convening the ensuing 68th Annual General Meeting and details of the proposed appointees, as required pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2 (SS), are given in the Appendix to the Explanatory Statement annexed to the said Notice.

25.0 DIRECTORS PERFORMANCE EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees of the Directors was conducted in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A structured questionnaire was

prepared after taking into consideration various aspects of the Board's functioning, composition of the Board & of its Committees, execution & performance of specific duties, obligations & governance. The performance evaluation of the Board of its own performance & that of its Committees and individual Directors, including the Executive Chairman and the Independent Directors was completed during the year under review. The Board of Directors expressed their satisfaction with the evaluation process.

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

26.0 DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts for FY 2020-21, all the applicable Accounting Standards (AS) have been followed, along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies & practices and applied them consistently & made judgments and estimates that are reasonable and prudent, so as to give a true & fair view of the state of affairs of the Company and of the profits of the Company for the year ended 31st March, 2021;
- 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.

27.0 BUSINESS RESPONSIBILITY STATEMENT

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

28.0 AUDIT COMMITTEE & ITS RECOMMENDATIONS

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

The Audit Committee plays a key role in providing assurance about financial statements to the Board of Directors. Significant audit observations and corresponding corrective actions taken by the Management are presented to the Audit Committee.

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

29.0 NUMBER OF BOARD MEETINGS

The Company has conducted 6 (six) Board meetings during FY 2020-21 and the details thereof are covered under the Corporate Governance Report, which is annexed to this Report as Annexure - III.

30.0 COMMITTEES OF THE BOARD

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

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

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

31.0 KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMPs) of the Company as on 31st March, 2021:

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

32.0 STATUTORY AUDITORS

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

33.0 STATUTORY AUDITOR'S REPORT

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

34.0 SECRETARIAL AUDITOR & ITS REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors had appointed M/s. N. L. Bhatia & Associates, (Unique Identification Number: P1996MH055800), a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2020-21.

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

35.0 COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee,

had appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai, as the Cost Auditor of the Company for FY 2020-21.

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

- a) Name of the Cost Auditor: M/s. Kishore Bhatia & Associates
- b) Address: 701/702, D-Wing, Neelkanth Business Park, Nathani Road, Vidhyavihar (West), Mumbai – 400 086, Maharashtra, India.
- c) Membership No.: 31166
- d) Firm Registration No.: 00294
- e) Due date of submitting Cost Audit Report for FY 2019-20 by the Cost Auditor with the Company: Within 180 days from the end of the financial year (by 30th September, 2020)
- f) Actual Date of filing of Cost Audit Report for FY 2019-20 with the Central Government: 04th September, 2020

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for the financial year 2021-22 as well. M/s. Kishore Bhatia & Associates have, under Rule 6(1A) of Companies (Cost Records and Audit) Rules, 2014, furnished a certificate of their eligibility and consent for the said appointment. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2021-22 is being placed before the Members at the ensuing Annual General Meeting, for ratification.

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

36.0 VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

genuine concerns / instances of any unethical / improper activity, directly to the Chairman of the Audit Committee, as a Protected Disclosure. The policy also provides adequate safeguards against victimization of persons, who may use such mechanism.

The detailed policy is also posted on the Company's Intranet Portal SANVAD and also onto its website at the following weblink:

https://www.adorwelding.com/images/pdf/corporate_policies/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf & https://www.adorwelding.com/images/pdf/corporate_policies/Whistle-Blower-for-Employees--Directors2019.pdf

37.0 POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has "zero tolerance" for sexual harassment at workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", as amended from time to time, which looks into the complaints received, if any. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office / factory premises and women service providers are covered under this Policy. AWL is committed to creating a safe and healthy work environment, where every employee is treated with respect and is able to work without any fear of discrimination, prejudice, gender bias, or any form of harassment at workplace.

Further, there were no complaints received by the Committee during the financial year 2020-21. The Company has also adopted a policy under the said Act, which is placed on its internal portal as well as on the website of the Company, which can be viewed at the following weblink: https://www.adorwelding.com/images/pdf/corporate_policies/POSH-Prevention-Redressal-of-Sexual-Harassment.pdf

38.0 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor

Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, dividends, if not claimed within / for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Furthermore, the IEPF Rules mandate the Companies, to transfer shares of the members, whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has, during the year, transferred to IEPF, the unclaimed dividend of Rs.18,88,188/- pertaining to FY 2012-13. Further, 12,437 shares of the Company, in respect of which dividends were not claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority. The details of the transfer of unclaimed dividend to the Investor Education and Protection Fund ("IEPF") are provided in detail in the Corporate Governance Report, annexed as Annexure III to this report.

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

Whilst the Company has already written to the Members, informing them about the due date for transfer of shares to IEPF, the attention of the shareholders is once again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and shares

is also available on the Company's website at www.adorwelding.com. Investors, who have not yet encashed their unclaimed / unpaid dividend amounts are requested to correspond with the Company's Registrar and Share Transfer Agents, at the earliest.

39.0 EMPLOYEES

At AWL, employee well-being is of utmost importance. The Company has a structured induction process at all its locations and undertakes training programs to upgrade skills / knowledge of its employees. Objective appraisal systems, based on key result areas (KRAs), are in place for its employees. AWL believes in harnessing the potential of the employees, by providing them adequate training, opportunities and inclusive work culture, in order to achieve Company's goal, in line with the overall employee development. The industrial relations at all the Plants and Offices of the Company continue to remain harmonious, cordial and peaceful.

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

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for e-inspection, 21 days before and up to the date of the ensuing 68th Annual General Meeting, during business hours on working days. Any Member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees, listed in the said Annexure, are related to any of the Directors of the Company or to each other. None of the employees hold (by himself / herself or along

with his / her spouse and dependent children) more than two percent of the Equity Shares of the Company.

The on-roll manpower strength of the Company as at the date of this Report is 524.

40.0 MATERIAL CHANGES & COMMITMENTS

There were no material changes affecting the financial position of the Company subsequent to the close of the financial year 2020-21, till 28th May, 2021 i.e. the date of this report.

41.0 INTERNAL FINANCIAL CONTROL SYSTEM & THEIR ADEQUACY

The Board has adopted policies & procedures of governance for orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention & detection of frauds and errors, accuracy & completeness of the accounting records and timely preparation of reliable financial disclosures. AWL has an effective internal control system, which is constantly assessed and strengthened. The Company's financial internal control systems are commensurate with the nature of its business, the size and complexity of its operations.

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

42.0 REPORTING OF FRAUDS

There were no instances of fraud, during the financial year 2020-21, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

43.0 PREVENTION OF INSIDER TRADING CODE

Your Company has adopted the revised Code of Conduct for Prevention of Insider Trading (PIT) with respect to the Securities of the Company, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices is also uploaded on the website of the Company at the following weblink: https://www.adorwelding.com/images/pdf/corporate_policies/PIT-Policy-Schedule-B-SEBI-PIT-2018.pdf

All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the Unpublished Price Sensitive Information (UPSI) of the Company are governed by this code. The objective of the PIT Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company Secretary & Compliance Officer, is responsible for setting forth procedures and implementation of the Code for trading in the Company's securities.

44.0 ENVIRONMENT & HEALTH

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

45.0 LISTING FEES

The Company affirms that the annual listing fees for the financial year 2021-22 have been paid to both National Stock Exchange of India Limited (NSE) and BSE Ltd. (Bombay Stock Exchange).

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

46.0 IMPACT OF NOVEL CORONA VIRUS / COVID-19 PANDEMIC

Due to the unprecedented situation owing to the spread of COVID-19 across the globe, not only our domestic billing but even Exports were affected till the month of June 2020. The imposition of strict lockdown restrictions were gradually lifted by the Government from May end / June 2020 onwards. Our factories as well as Sales offices and Head Office started operating gradually in a phased manner, with limited manpower, as per the Government & local administration's guidelines.

The annual performance of our Company was affected by the said Pandemic & subsequent lockdowns. The immediate objective of the Company is to continue to be financially stable as well as protect the interest of all its stakeholders. The Company, along with its dedicated employees, is determined to sail through this tough time and work towards a bright & sustainable future.

47.0 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, including the support staff, at all levels during FY 2020-21. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by its Customers, Distributors, Dealers, Suppliers, Service Providers, Bankers, various Government Organizations / Agencies & the Shareholders and look forward to their continued support and co-operation in the future, as well.

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Place: Mumbai
Date: 28th May, 2021

ANNEXURE I - TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2020-21

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

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

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

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

2. Composition of the CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Gaurav M. Lalwani	Chairman (Independent Director)	4	4
2.	Mrs. N. Malkani Nagpal	Member (Executive Chairman)	4	4
3.	Mr. Aditya T. Malkani*	Member (Managing Director)	2	0
4.	Mr. Deep A. Lalvani	Member (Whole-Time Director)	4	4
5.	Mr. S. M. Bhat#	Member (Ex - Managing Director)	2	2

#till 07th September, 2020

*from 08th September, 2020

3. Web-links:

- Composition of CSR committee: <https://www.adorwelding.com/images/pdf/committee-composition/Composition-of-Committees--FY-2021-22.pdf>
- CSR Policy: https://www.adorwelding.com/images/pdf/corporate_policies/Corporate-Social-Responsibility-Policy-CSR-FY-2020-21.pdf
- CSR projects approved by the Board: <https://www.adorwelding.com/images/pdf/CSR-activities-FY-2020-21.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) :
Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable for FY 2020-21

6. Average net profit of the Company for the last three financial years (up to FY 2020-21), under Section 135(5) of the Companies Act, 2013: Rs. 2,929.13 Lakhs

7. CSR Expenditure

- Two percent of average net profit of the company as per section 135(5): Rs. 58.58 Lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any: NIL
- Total CSR obligation for the financial year (7a+7b-7c): Rs. 58.58 Lakhs

8. Details of CSR expenditure for FY 2020-21

- CSR amount spent or unspent for the financial year:

(Rs. in Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII, as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 49.18	Rs. 10.50	25 th May, 2021*		Nil	

*there was a delay in opening of account by the Banker due to lockdown restrictions imposed by the State Govt. due to Covid-19 pandemic.

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

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

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Sponsored food packets for the underprivileged / socially backward people during lockdown due to COVID-19	Disaster Management including relief activities	Yes	UT of Dadra & Nagar Haveli	Silvassa	1.00	No	Jankalyan Sanstha	-
2.	Restoration of tribal residential school building at Mangaon, which was devastated by cyclone "Nisarg" that hit Konkan / Coastal Maharashtra	Disaster Management including reconstruction and rehabilitation activities	Yes	Maharashtra	Raigad	1.50	No	Seva Sahayog Foundation	-
3.	Renovation of a Higher Secondary School	Promoting Education	Yes	Chhattisgarh	Raipur	1.34	Yes	NA	-
4.	Vocational training given to the underprivileged youth by sponsoring courses on Welding skill development	Promoting Education	Yes	Maharashtra	Pune	10.00	No	Ador Welding Academy Pvt. Ltd,	-
5.	Sponsoring wellness kits to underprivileged widowed mothers	Empowering Women	Yes	West Bengal	Kolkata	0.25	No	Rotary Club	-

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
6.	Development projects in the urban slum communities of South Mumbai - Programmes relating to nutrition for children and skill training of women	Eradicating hunger, empowering women & slum area development	Yes	Maharashtra	Mumbai	5.35	No	Family Service Centre	CSR00009341
7.	Education for Girls with Hearing Impairment and Intellectual Disabilities	Promoting education including special education for differently abled	Yes	Maharashtra	Mumbai	9.97	No	Save the Children	CSR00000692
8.	Providing immediate temporary shelter to women from any part of India, who are abandoned or victimized by their husband, parents or relatives or suffer from any type of social distress.	Empowering Women	Yes	Maharashtra	Mumbai	5.07	No	Bapnu Ghar- "Fathers Home"	CSR00004977
9.	Providing education, therapy services, co-curricular & extracurricular activity, nutrition & transport etc. to the disabled children from the slums of Colaba, Mumbai, who come from economically challenged backgrounds	Livelihood enhancement projects	Yes	Maharashtra	Mumbai	7.20	No	ADAPT (Able Disabled All People Together)	CSR00001228
10.	Providing Infrastructure for tribal schools	Promoting Education	Yes	Odisha	Kalahandi, Mayurbhanj	7.50	No	Art of Living of Foundation	-
Total						49.18			

d. Amount spent in Administrative Overheads: NA

e. Amount spent on Impact Assessment, if applicable: NA

f. Total amount (8b+8c+8d+8e) spent for the Financial Year 2020-21: Rs. 59.68 Lakhs

9. a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable for FY 2020-21
- b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable for FY 2020-21
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :** Not Applicable
11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** Not Applicable. The Company has spent Rs. 59.68 Lakhs (including an amount of Rs. 10.50 Lakhs transferred to the Unspent CSR Account w.r.t. an ongoing project) out of its budgeted CSR expenditure of Rs. 58.58 Lakhs for FY 2020-21. Excess of Rs. 1.10 Lakhs shall be set off in the next three (3) financial years.
12. During FY 2020-21, the implementation and monitoring of CSR Policy was in conformity with the CSR objectives and CSR Policy of the Company. The Board, through the CSR Committee & Senior Management closely monitors the progress of the CSR initiatives.

For and on behalf of the Board

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

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Place: Mumbai

Date: 28th May, 2021

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PHILOSOPHY ON CSR:

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

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

FOCUS AREAS OF CSR:

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

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

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

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

ORGANIZATIONAL MECHANISM FOR CSR:

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

COMPOSITION OF THE CSR COMMITTEE:

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

FUNCTIONS OF THE CSR COMMITTEE:

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

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

THE CSR COMMITTEE WILL ENSURE THE FOLLOWING:

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

IMPLEMENTATION MECHANISM OF CSR:

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

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

ANNEXURE II – TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as required under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

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

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

1. Installed Solar Power Plant at Silvassa Factory with the capacity 115 KWP, during FY 2020-21, which generated 90,112 units effectively reducing greenhouse emission by 52 MT
2. Installed Solar Power Plant at our Raipur Factory with the capacity of 518 KWP during FY 2019-20, which generated 5,20,000 units, effectively reducing greenhouse gas emission by 302 MT in FY 2020-21
3. Capital investment of Rs. 55 Lakhs was made w.r.t. installation of Solar Power Plant in Silvassa.

B. Technology Absorption

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

1. Introduced microcontroller based digital controllers in place of present analogue controllers in inverter based machines. Due to digitization of the said machines, not only the weight and cost of machine is reduced, but also the reliability of machine improved as well.
2. Developed & introduced a compact and light weight engine driven welding generator set by using only 2 cylinder diesel engine. It is an innovation in one of its kind.
3. Introduced USB based programming for high end machines. Such machines add the synergic data for new material and shielding gas.
4. Developed the special liners for long length torches, which enable smooth feeding of MS and SS wires.
5. Formulation of LAHT SMAW electrodes was rationalized, which resulted in cost reduction and reduced use of raw materials.
6. Development of consumables for high strength steel welding.
7. Development of hard facing consumables for elevated temperature.
8. We did not import any technology during the last three years.

9. Energy Conservation and Safety:

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

Summary of expenditure on R & D:

Particulars	(Rs. in Lakhs)	
	FY 2020-21	FY 2019-20
Capital	9	13
Recurring	290	308
Total	299	321
Total R & D expenditure as a percentage of total turnover	0.67%	0.61%

- b) Foreign Exchange Earnings & Outgo:

Particulars	(Rs. in Lakhs)	
	FY 2020-21	FY 2019-20
Foreign Exchange Earnings*	2,450	3,559
Foreign Exchange Outgo	4,783	5,686

* Revenue reversal on account of restatement amounting to Rs. 918 lakhs (Rs.18 lakhs pertaining to previous financial year) not included in the above figures

For and on behalf of the Board

Place: Mumbai
Date: 28th May, 2021

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

ANNEXURE III – TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance for the financial year ended 31st March 2021, in terms of Regulation 34(3) read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below. In this report, we confirm the compliance of the Corporate Governance criteria, as required under the said Listing Regulations.

A) Mandatory Requirements:

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

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

2) Board of Directors

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

2.1 Core Skills / Expertise of the Board

The Board of Directors, at its meeting held on 28th May, 2021, had approved the following list of core skills / expertise in context of / with respect to the line of business of the Company, for it to function effectively. The below matrix summarizes a mix of skills, expertise and competencies, possessed by the individual Directors on the Board, which are key to corporate governance and board effectiveness:

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

2.2 Composition, Number of Meetings held and Attendance

The Board of Directors of the Company, as of 31st March, 2021 comprises of 10 (ten) Directors, consisting of 3 (three) Executive / Whole-Time Directors and 7 (seven) Non-Executive Directors including 5 (five) Independent Directors. There are 3 (three) Women Directors on the Board out of which 1 (one) is an Independent Woman Director, as stipulated under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Board of Directors meet, generally once in 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. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

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

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

During FY 2020-21 under review, the Board of Directors met 6 (six) times, i.e. on 23rd June, 2020, 11th August, 2020, 07th September, 2020, 25th September, 2020, 02nd December, 2020 and 05th February, 2021. The requisite quorum was present at all the Meetings. The maximum gap between any two consecutive meetings was less than one hundred and twenty (120) days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the LODR Regulations and the Secretarial Standard (SS) issued by the Institute of Company Secretaries of India (ICSI). The Board has accepted recommendations of its committees during the relevant financial year.

Brief details of the Board Meetings held during FY 2020-21 are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors Present
1.	23 rd June, 2020	12	12
2.	11 th August, 2020	12	12
3.	07 th September, 2020	11	11
4.	25 th September, 2020	11	10
5.	02 nd December, 2020	11	9
6.	05 th February, 2021	10	10

The composition of the Board of Directors, attendance at the Board Meetings held during FY 2020-21 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 2020-21 Attendance at		As on March 31, 2021			
			Board Meetings	Last AGM (22 nd September, 2020)	No. of other Directorships #	No. of Directorships in listed entities ^	Committee Positions @	
							No. of Memberships	No. of Chairmanships
1.	Mrs. N. Malkani Nagpal	Executive (Chairman)	6 of 6	Present	2	2	2	0
2.	Mr. A. T. Malkani	Executive (Managing Director)	6 of 6	Present	1	2	0	0
3.	Mr. D. A. Lalvani	Executive (Whole-Time Director)	6 of 6	Present	2	2	2	0
4.	Mr. R. A. Mirchandani	Non-Executive	6 of 6	Present	1	1	0	2
5.	Ms. Tanya H. Advani	Non-Executive	6 of 6	Present	2	2	0	0
6.	Mr. P. K. Gupta	Independent	6 of 6	Present	0	1	0	0
7.	Mr. R. N. Sapru	Independent	4 of 6	Present	0	1	0	0
8.	Mr. K. Digvijay Singh	Independent	6 of 6	Present	0	1	0	0
9.	Mr. G. M. Lalwani	Independent	6 of 6	Present	1	2	0	0
10.	Mrs. Nita Dempo Mirchandani	Independent	6 of 6	Present	0	1	0	0
11.	Mr. S. M. Bhat	Executive (Ex - Managing Director)	2 of 2	NA	NA	NA	NA	NA
12.	Mr. M. K. Maheshwari	Independent	4 of 5	Present	NA	NA	NA	NA

Notes:

- Mrs. Nita Dempo Mirchandani was appointed as the Independent Director with effect from 01st April, 2020.
- Mr. Satish M. Bhat, Managing Director, resigned on and w.e.f. 07th September, 2020.
- Mr. Manoj Kumar Maheshwari, Independent Director, resigned on and with effect from 07th December, 2020, due to pre-occupation. There were no other material reasons other than pre-occupation for his resignation.

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

^ Includes Directorship in Ador Welding Limited

@ Considered Memberships / Chairmanships of Audit Committee & Stakeholders Relationship Committee only, other than that of Ador Welding Ltd., as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Manoj Kumar Maheshwari, Non- Executive & Independent Director resigned on and w.e.f. 07th December, 2020 from the Board due to pre-occupation. Further, Mr. Manoj Kumar Maheshwari confirmed that there are no other material reasons other than pre-occupation for his resignation. The Board of Directors place on record their gratitude and appreciate his valuable contribution and support during his tenure as the Non- Executive & Independent Director of the Company.

None of the Directors is a Member of more than 10 (ten) Board Committees and Chairman of more than 5 (five) such Committees [the committees being, Audit Committee and Stakeholders' Relationship Committee], across all the public limited companies, in which he / she is a Director, as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. As per Regulation

17A of the SEBI (LODR) Regulations, 2015, none of the Directors hold Directorship in more than 8 listed entities and none of the Independent Directors serve as Independent Director in more than 7 (seven) listed entities and in case they are Whole Time Directors / Managing Directors in any listed entity, then they do not serve as Independent Director in more than 3 (three) listed entities. The same is also evident from the above table.

All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies, as required under Section 184 of the Companies Act, 2013. Each Director informs the Company, on an annual basis, about the Board and the Committee positions she / he occupies in other companies including Chairmanships and notifies changes during the year, if any. The Members of the Board, while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions, in which they have concern or interest.

All the Non-Independent Directors, except the Managing Director, are liable to retire by rotation. The Executive Chairman & the Whole time Director are also liable to retire by rotation.

None of the Non-Executive Directors, including the Independent Directors of the Company, have any material pecuniary relationship or have executed any transactions with the Company, its Promoters or its Management, which would affect the independence or judgment of the Board. The Company has also not entered into any materially significant related party transactions with its Promoters, Directors or their relatives or with the Management etc., that may have potential conflict with the interest of the Company at large.

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

Details of listed entities, other than Ador Welding Limited, and category of Directorship, held by our Directors, as required under SEBI (LODR), Regulations 2015, as on 31st March, 2021, are as under:

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

Broad Terms of Reference / Functions of the Board:

The duties of Board of Directors have been enumerated in SEBI (LODR) Regulations, 2015, Section 166 of the Companies Act, 2013 and Schedule IV to the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

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

- Annual operating plans & budgets and updates thereon.
- Capital budgets and updates thereon.
- Quarterly Unaudited Financial Results (UFR) of the Company and its Operating Divisions / Business Segments.
- Audited Financial Results (AFR) of the Company.
- Minutes of the Meetings of the Board, Committees of the Board & Subsidiary of the Company.
- The information on recruitment and remuneration of senior officers, just below the Board level, including the appointment & / or removal of Chief Financial Officer (CFO) and Company Secretary (CS)
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations by the Company, or substantial non-payment of goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise, that may have negative implications on the Company.
- Risk Mitigation plans / updates.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Significant labor problems and their proposed solutions.
- Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Quarterly / Half yearly / Yearly details of financials & other material information of Subsidiary Companies.
- Sale of investments, subsidiaries, assets, etc. which are material in nature & not in the normal course of business.
- Quarterly details of Foreign Exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services, such as non-payment of dividend, delay in share 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 requires Directors and Employees to act honestly, fairly, ethically, & with integrity, and conduct themselves in professional, courteous and respectful manner. The 'Code of Conduct' has 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 2020-21.

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

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

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

Committees of the Board:

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

The Company has 4 (four) Board Level Committees:

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

3) Audit Committee

Broad Terms of Reference / Functions of the Committee:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions, in accordance with Section 177 of the Act, Regulation 18 read with Part C of Schedule II to SEBI (LODR) Regulations, 2015. Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls.

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

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

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

Composition, Number of Meetings held and Attendance:

All the Members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation and Economics. During FY 2020-21 under review, 05 (five) Audit Committee Meetings were held, i.e. on 23rd June, 2020, 11th August, 2020, 25th September, 2020, 02nd December, 2020 and 05th February, 2021. The maximum gap between two Meetings was not more than 120 days. The requisite quorum was present at all the Meetings.

On 23rd June, 2020, Mr. A. T. Malkani was inducted in place of Mr. R. A. Mirchandani onto the Audit Committee. Mr. R. A. Mirchandani was re-inducted onto the Audit Committee on and w.e.f. 07th September, 2020,

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

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

The Company follows best practices in the financial reporting. The Company has been reporting, on quarterly basis, the Un-audited Consolidated Financial Statements as required by Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone and Consolidated Financial Statements are made available on the website www.adorwelding.com and are also sent to the Stock Exchanges.

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers apropos, to be present at any of the Audit Committee Meetings, as & when required. In all the Audit Committee Meetings held in FY 2020-21, a couple of Senior Executives along with Statutory Auditors of the Company were invited. Internal Auditors were also invited for a couple of Meetings

The composition of the Audit Committee and attendance at the Meetings held in FY 2020-21 is given here under:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2020-21
1.	Mr. K. Digvijay Singh	Chairman	Independent Director	5 of 5
2.	Mr. P. K. Gupta	Member	Independent Director	5 of 5
3.	Mr. R. N. Sapru	Member	Independent Director	4 of 5
4.	Mr. R. A. Mirchandani	Member* ^	Non-Executive Director	4 of 4
5.	Mr. A. T. Malkani	Member#	Managing Director	1 of 1
* till 23 rd June, 2020 # from 24 th June, 2020 till 07 th September, 2020 ^ from 08 th September, 2020				

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

4) Nomination & Remuneration Committee

Broad Terms of Reference / Functions of the Committee:

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

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- Formulating the criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management, in accordance with the criteria laid down, and recommend to the Board their appointment & removal.
- Ensuring that the level and composition of remuneration is reasonable & sufficient to attract, retain and motivate Directors, with the required competencies to run the Company successfully & efficiently.
- Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensuring that the remuneration of the Directors, Key Managerial Personnel and Senior Management involves a balance between fixed & variable pay, reflecting short and long- term performance objectives, appropriate to the working of the Company & its goals.
- Carrying out evaluation of every Director's performance, including that of the Independent Directors.
- Reviewing and recommending to the Board, the following:
 - a) Appointment / re-appointment of the Whole-Time Directors and the Non-Executive Directors, including contract terms, performance criteria / targets, fees, travel and other benefits, etc.
 - b) "Remuneration Report" in accordance with the Companies Act, 2013, for inclusion in the Directors' Report.
 - c) "Remuneration Policy"
 - for the Whole-time / Executive Directors and Non-Executive Directors;
 - for the Key Managerial Personnel & Senior Management; and
 - for other employees, if required / requested by the Management.
 - d) The size, qualification and composition of the Board.
 - e) Short-term incentive strategy, performance targets and bonus payments for / to the Executive Directors.
 - Reviewing major changes and developments in the Company's remuneration, recruitment, retention, superannuation arrangements, human resource practices and employee relations.
 - Ensuring that the Board & the Management makes available to them sufficient information and external advice, for informed decision-making, regarding remuneration.

Composition, Number of Meetings held and Attendance:

During FY 2020-21 under review, 3 (three) Nomination & Remuneration Committee Meetings were held i.e. on 23rd June, 2020, 07th September, 2020 & 05th February, 2021. The requisite quorum was present at all the Meetings.

On 23rd June, 2020, Mr. R. A. Mirchandani was inducted in place of Mr. Aditya T. Malkani onto the Nomination & Remuneration Committee. Further, on & with effect from 08th December, 2020, Mr. P. K. Gupta was inducted onto Committee in order to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subsequent to the resignation of Mr. M. K. Maheshwari.

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 during FY 2020-21 is given hereunder:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance During FY 2020-21
1.	Mr. R. N. Sapru	Chairman	Independent Director	3 of 3
2.	Mr. P. K. Gupta @	Member	Independent Director	1 of 1
3.	Mr. R. A. Mirchandani *	Member	Non - Executive Director	2 of 2
4.	Mr. A. T. Malkani #	Member	Managing Director	1 of 1
5.	Mr. M. K. Maheshwari ^	Member	Independent Director	1 of 2
# till 23 rd June, 2020 * from 24 th June, 2020 ^ till 07 th December, 2020 @ from 08 th December, 2020				

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:

The Nomination & Remuneration Committee, pursuant to Regulation 19 read with Part D (A) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, has laid down the criteria for performance evaluation of the Directors, including the Independent Directors, which shall be carried out for / by the entire Board of Directors.

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

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

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation. The evaluation process includes performance evaluation of individual Directors, performance evaluation of all the Board Committees by the individual Directors and performance evaluation by the individual Directors of the entire Board. A structured questionnaire is prepared, covering various aspects of the Board's functioning. A consolidated summary of the ratings, given by each Director is then prepared & presented. The report of performance evaluation is then discussed and noted by the Nomination & Remuneration Committee and the Board.

Remuneration Policy for Directors:

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

I. Remuneration to the Executive Directors:

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

In terms of Regulation 17 (6) (e) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration payable to the Executive Directors, who are Promoters or Members of Promoter Group, shall be subject to the approval of the shareholders by way of special resolution in the Annual General Meeting, if the aggregate annual remuneration payable to such Directors exceeds 5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013, where there is more than 1 (one) such Director. The Board has, on the recommendation of the Nomination & Remuneration Committee, approved the said payment exceeding 5% of the net profits of the Company, and it has been included in detail, in the Notice conveying 68th Annual General Meeting for the consideration & approval of the Shareholders.

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

II. Remuneration to the Non-executive Directors:

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

The summary of the remuneration paid / payable to all the Directors for FY 2020–21 is given below:-

							(Rs. in Lakhs)
Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission	Sitting Fees @ #	Total ₹
1.	Mrs. N. Malkani Nagpal	113.39	2.90	-	-	-	116.29
2.	Mr. A. T. Malkani \$	59.10	1.72	-	-	-	60.82
3.	Mr. D. A. Lalvani	124.40	2.50	-	-	-	126.90
4.	Mr. R. A. Mirchandani	-	-	-	-	-	0.00
5.	Ms. Tanya H. Advani	-	-	-	-	-	0.00

(Rs. in Lakhs)

Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission	Sitting Fees @ #	Total £
6.	Mr. P. K. Gupta	-	-	-	-	1.75	1.75
7.	Mr. R. N. Sapru	-	-	-	-	1.50	1.50
8.	Mr. K. Digvijay Singh	-	-	-	-	1.90	1.90
9.	Mr. G. M. Lalwani	-	-	-	-	1.20	1.20
10.	Mrs. Nita Dempo Mirchandani*	-	-	-	-	1.05	1.05
11.	Mr. S. M. Bhat %	45.33	1.55	-	-	-	46.88
12.	Mr. M. K. Maheshwari ^	-	-	-	-	0.95	0.95
	Total	342.22	8.67	0.00	0.00	8.35	359.24

* Appointed as an Independent Director w.e.f. 01st April, 2020

% Resigned on & w.e.f. 07th September, 2020

\$ Appointed & re-designated as the Managing Director (Executive) w.e.f. 14th September, 2020

^ Resigned on & w.e.f. 07th December, 2020

Fixed Component

@ As Member / Invitee, wherever applicable

£ Excluding TDS / GST

Notes:

- The Agreement, to be executed with the Managing Director will be with effect from 14th September, 2020 upto 13th September, 2023 (i.e. 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 Agreement, to be executed with the Executive Chairman will be with effect from 07th May, 2021 upto 06th May, 2024 (i.e. 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 Whole Time Directors, as per their Agreements, are entitled to Commission upto 1% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013.
- The Non - Executive Directors are also entitled to commission upto 1% of the net profits of the Company proportionately / on pro-rata basis, as calculated under Section 198 of the Companies Act, 2013.
- The Agreement with the Whole time Director is also for a period of three years. Either party to the Agreement is entitled to terminate the Agreement by giving three months' notice to the other party, as mentioned in the Agreement.
- Performance Criteria for variable pay to the Managing Director for FY 2020-21 was as follows:
 - Mr. S. M. Bhat (Managing Director upto 07th September, 2020) – No targets / parameters w. r. t. Bonus, Commission & Performance Incentive were set for FY 2020-21, due to uncertainties in business on account of COVID-19 pandemic.
 - Mr. Aditya T. Malkani (Managing Director w.e.f. 14th September, 2020) – Interim Soft Targets (KRAs), not linked to bonus and commission, were set for FY 2020-21 considering his short span as Managing Director & COVID-19 pandemic scenario.
- All the Promoter Directors, including the Executive Chairman & the Whole – Time Director, are liable to retire by rotation.
- According to the Articles of Association of the Company, the Managing Director is not liable to retire by rotation.
- As per the Companies Act 2013, none of the Independent Directors retire by rotation.
- The Company does not have any stock option scheme for its Directors or employees.
- Severance fees: NIL

5) Stakeholders Relationship Committee

Broad Terms of Reference / Functions of the Committee:

The Stakeholders' Relationship Committee functions in accordance with the Charter prepared as per Section 178 of the Act and Regulation 20 read with Part D of Schedule II to SEBI (LODR) Regulations, 2015. The Committee looks into the matters of Shareholders / Investors grievances along with other matters, as listed below:

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

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

Composition, Number of Meetings held and Attendance:

During FY 2020-21 under review, 4 (four) Stakeholders Relationship Committee (SRC) Meetings were held, i.e. on 23rd June, 2020, 11th August, 2020, 02nd December, 2020 and 05th February, 2021. The requisite quorum was present at all the Meetings.

Ms. Tanya H. Advani was inducted onto the Stakeholders Relationship Committee (SRC) in place of Mr. A. T. Malkani with effect from 01st April, 2020.

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 2020-21
1.	Mr. R. A. Mirchandani	Chairman	Non - Executive Director	4 of 4
2.	Mrs. Ninotchka Malkani Nagpal	Member	Executive Chairman	4 of 4
3.	Mr. D. A. Lalvani	Member	Whole – Time Director	3 of 4
4.	Mr. G. M. Lalvani	Member	Non - Executive & Independent Director	3 of 4
5.	Ms. Tanya H. Advani	Member	Non - Executive Director	4 of 4

The Secretarial Department of the Company and the Registrar & Share Transfer Agent (RTA) attend to all the grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs (MCA), Registrar of Companies (ROC), etc.

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

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

Compliance Officer:

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

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

- The total number of complaints received and replied to the satisfaction of the shareholders during FY 2020-21 is 1.
- There was one pending complaint as on 31st March, 2021 w.r.t. unclaimed dividend. The same was resolved in May 2021.
- The Investors can also raise complaints in a centralized web-based complaints redressal system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholder.
- The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director	Shareholding (No. of Shares held) as on 31st March, 2021
1.	Mrs. Ninotchka Malkani Nagpal	81,052
2.	Mr. Aditya T. Malkani	1,23,198
3.	Mr. Deep A. Lalvani	19,419
4.	Mr. Ravin A. Mirchandani	8,002
5.	Ms. Tanya H. Advani	Nil
6.	Mr. Piyush K. Gupta	Nil
7.	Mr. Rakesh N. Sapru	Nil
8.	Mr. K. Digvijay Singh	Nil
9.	Mrs. Nita Dempo Mirchandani	Nil
10.	Mr. Gaurav M. Lalwani	10

6) Corporate Social Responsibility (CSR) Committee

Broad Terms of Reference / Functions of the Committee:

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

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

- Setting up a transparent system to oversee the implementation of the CSR activities / projects / programmes.
- Recommending to the Board, the projects, that can be considered as “ongoing projects” of the Company, at the end of every financial year.

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 2020-21 are posted onto the Company’s website on the following web-link: https://www.adorwelding.com/images/pdf/corporate_policies/Corporate-Social-Responsibility-Policy-CSR-FY-2020-21.pdf

Composition, Number of Meetings held and Attendance:

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

During FY 2020-21 under review, 4 (four) CSR Committee Meetings were held, i.e. on 23rd June, 2020, 11th August, 2020, 05th February, 2021 & 09th March, 2021. The requisite quorum was present at all the Meetings.

Mr. Aditya T. Malkani was inducted on the Corporate Social Responsibility (CSR) Committee w.e.f. 08th September, 2020, in place of Mr. S. M. Bhat, who resigned on & w.e.f. 07th September, 2020.

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

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

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2020-21
1.	Mr. G. M. Lalwani	Chairman	Non - Executive & Independent Director	4 of 4
2.	Mrs. N. Malkani Nagpal	Member	Executive Chairman	4 of 4
3.	Mr. A. T. Malkani*	Member	Managing Director	0 of 2
4.	Mr. D. A. Lalvani	Member	Whole - time Director	4 of 4
5.	Mr. S. M. Bhat#	Member	Ex-Managing Director	2 of 2
# till 07 th September, 2020				
* from 08 th September, 2020				

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.	2019-20	22 nd September, 2020	Through Video Conferencing / Other Audio Visual Mode (VC / OAVM), deemed to be held at the registered office of the Company	11.00 am
2.	2018-19	26 th July, 2019	Walchand Hirachand Hall, Mumbai	11:00 am
3.	2017-18	10 th August, 2018	Walchand Hirachand Hall, Mumbai	11:00 am

All the special resolutions moved in the previous 3 (three) Annual General Meetings were passed by the majority of the Members present / voted / e-voted at the Meeting and there were 05 (five) special resolutions in last AGM of FY 2019-20.

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

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

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

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

8.1 Independent Directors' Meeting:

During the year under review, the Independent Directors met on Friday, 05th February, 2021, 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 performance of the Executive Chairman of the Company, taking into considerations the views of other Executive, Non- Executive & Independent Directors.
- Assess the quality, quantity and timeline of flow of information between the Company Management and the Board, that / which is necessary for the Board to effectively and reasonably perform its duties.

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

8.2 Familiarization Program for Independent Directors:

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

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

Further, a summary of the programs conducted for the Independent Directors upto FY 2020-21 with relevant details is also uploaded on the Company's website at the following web - link:

<https://www.adorwelding.com/images/pdf/Details-of-Familiarisation-Program-for-Independent-Directors-FY-2021.pdf>

Disclosures

8.3 Materially significant related party transactions:

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

During FY 2020-21 under review, there were no materially significant Related Party Transactions (RPTs) 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. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

8.4 Policy for entering into Related Party Transactions:

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

Material Subsidiaries:

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

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

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

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

8.6 Vigil Mechanism - Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has established Vigil Mechanism-cum-Whistle Blower Policy, to enable its Directors, Employees & Stakeholders to report the instances of any unethical / improper activity in the Company. The mechanism provides for adequate safeguards against victimization of employees, Directors & stakeholders, who use such mechanism. The said Policy is uploaded on the Company's website on the following web link:

For Stakeholders-

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

For Directors & Employees-

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

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

8.7 Statutory Audit Fees:

The Statutory Auditors of the Company, M/s. Walker Chandio & Co. LLP, Chartered Accountants, Mumbai are being paid a total fees of Rs. 31.00 Lakhs plus out of pocket expenses at actuals and GST / Taxes, as applicable, at actuals, for carrying out the Statutory Audit, Limited Review and Tax Audit of the Company for FY 2020-21.

9) Means of Communication

- 9.1.** The Company regularly publishes its Quarterly / Half-yearly & Annual Financial Results in newspapers, viz. Business Standard (English) & Mumbai Sakal (Marathi), and simultaneously uploads them onto the website of the Company: <https://www.adorwelding.com/>. Hence, the financial results are not sent / posted to the shareholders residence. Annual Report is e-mailed to the Shareholders, whose e-mail IDs are registered with the Company / RTA / DP and posted / sent / couriered to other shareholders, who either do not have e-mail IDs or whose e-mail IDs are not registered with the Company / RTA / DP, except for 67th Annual Report for FY 2019-20 or who have specifically requested for a physical copy. The Company has a designated e-mail id: investorservices@adorians.com exclusively for investor relation, and the same is prominently displayed on the Company's website www.adorwelding.com. A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.
- 9.2** As a part of Green Initiative, the members who wish to receive the notices / documents through e-mail, may kindly intimate their e-mail addresses to the Company at investorservices@adorians.com
- 9.3** During FY 2020-21, no Analysts / Institutional Investors Meets were conducted by the Company.
- 9.4** The Management Discussion & Analysis (MDA) Report is an integral part of the Annual Report. (Refer Annexure IV to the Directors' Report).

10) General Shareholder Information

Day, Date and Time of Annual General Meeting	Thursday, 12 th August, 2021 at 11:00 am
Venue of the Annual General Meeting	Through VC / OAVM pursuant to MCA circulars
Financial Year	01 st April, 2020 – 31 st March, 2021
Cut-off date for e-voting	Thursday, 05 th August, 2021
Financials Reporting Calendar for FY 2021–22	Financial (unaudited) Reporting for the quarter ending June 2021 – by 14 th August, 2021 Financial (unaudited) Reporting for the quarter ending September 2021 – by 14 th November, 2021 Financial (unaudited) Reporting for the quarter ending December 2021 – by 14 th February, 2022 Financial (audited) Reporting for the year ending March 2022 – by 30 th May, 2022

Investor Education and Protection Fund (IEPF):

- During FY 2020-21, unclaimed dividend amount of Rs. 18,88,188/-, pertaining to the Dividend for FY 2012-13 was transferred to IEPF.
- During FY 2020-21, 12,437 Equity shares, on which dividend had remained unclaimed for a period of seven consecutive years, were transferred to IEPF Authority. Since no final dividend was declared for FY 2019-20 there was no unclaimed dividend amount (resultant benefits) required to be transferred to the IEPF Authority.
- Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members, whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The details of unclaimed/unpaid dividend are available on the website of the Company.
- During FY 2021-22, about 22,664 Equity shares, on which dividend had remained unclaimed for a period of seven consecutive years, are liable to be transferred to the IEPF Authority on or before 01st October, 2021, unless Dividend is claimed on these shares till the date of transfer.
- Year wise amount of unpaid / unclaimed dividend lying in the unpaid Dividend account up to the year ended 31st March 2021 and the corresponding shares, which are liable to be transferred to IEPF, is given below:

Sr. No.	Financial Year	Amount of unclaimed dividend (Rs.)	No. of shares on which dividend is unclaimed	Remarks
1.	2019-20	15,10,394	2,32,320	If the dividend remains unclaimed for a period of 7 consecutive years (till 26 th September, 2021), then unclaimed dividend / shares will be transferred to IEPF
2.	2018-19	13,01,620	2,00,206	
3.	2017-18	11,67,500	2,33,500	
4.	2016-17	19,61,590	3,92,318	
5.	2015-16	18,95,100	3,79,020	
6.	2014-15	17,57,190	3,51,438	
7.	2013-14	17,04,590	3,40,918	

Credit Rating:

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, details of credit rating obtained by the Company from CARE for all its outstanding instruments, as on 31st March, 2021 are enumerated below:

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

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

<https://www.adorwelding.com/images/pdf/Credit-Rating-For-Ador-Welding-Limited.pdf>

Listing:

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

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

International Securities Identification Number (ISIN):

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

Annual Listing Fees and Custodial Fees:

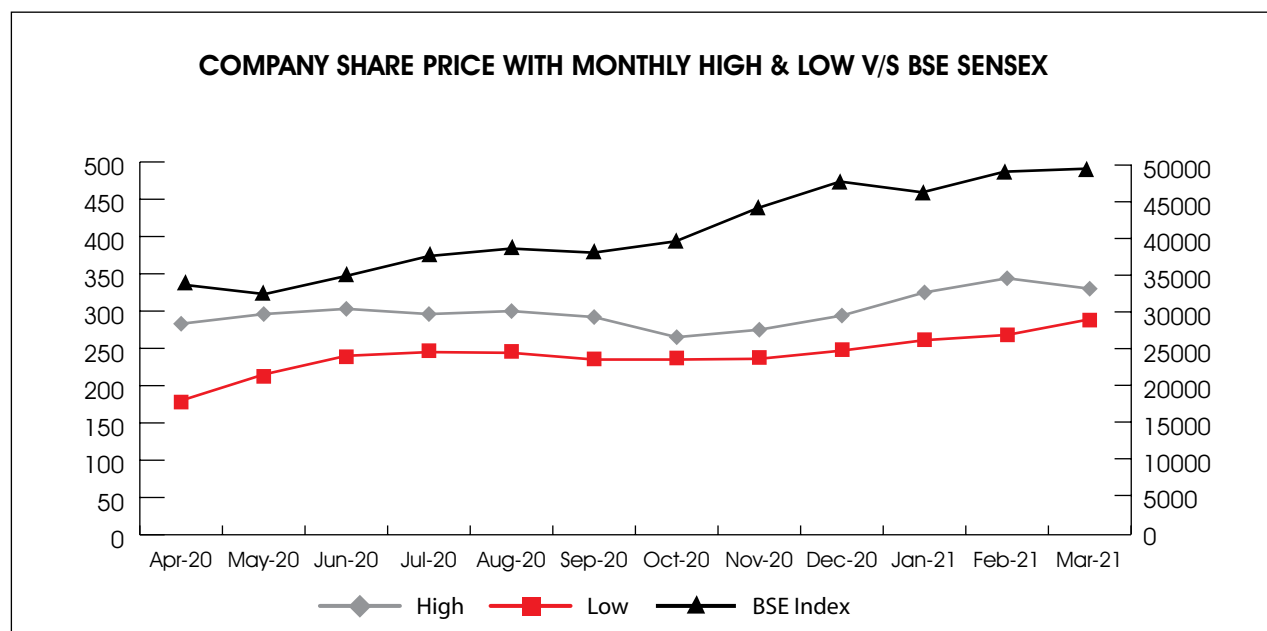
The annual listing fees and custodial fees for the financial year 2020-21 has been paid by the Company within the stipulated timeline.

Market Price Data:

Market Price data, during each month of FY 2020-21, is given hereunder:

INDEX	BSE				NSE			
	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2020	283.45	180.10	16,954	1,064	284.00	176.10	1,52,426	7,578
May, 2020	296.00	215.35	38,819	3,423	288.80	214.05	7,79,735	22,573
June, 2020	303.20	240.20	79,321	5,817	304.00	235.00	7,61,538	26,453
July, 2020	295.85	245.30	84,375	6,895	297.00	245.00	12,58,688	36,983
August, 2020	300.00	244.30	83,106	5,696	297.00	231.95	8,35,326	26,845
September, 2020	291.75	235.00	89,242	5,296	291.60	233.00	8,02,120	29,554
October, 2020	265.40	234.65	18,260	2,145	260.90	234.20	1,66,320	8,961
November, 2020	274.70	236.00	44,883	3,674	275.00	236.10	6,99,863	18,680
December, 2020	293.60	246.80	90,078	7,841	294.00	247.00	10,85,966	34,959
January, 2021	325.00	260.50	1,76,756	12,354	324.90	262.35	15,55,297	45,153
February, 2021	344.00	268.00	1,10,210	7,787	344.80	266.50	16,19,485	45,206
March, 2021	330.20	289.00	53,253	4,102	330.30	295.10	5,74,354	23,568

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. Link Intime India Pvt. Ltd.

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

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

M/s. Sharex Dynamic (India) Private Limited ("Sharex"), former RTA, merged with its holding Company "M/s. Link Intime India Private Limited" ("Link Intime"), pursuant to the scheme of merger and order dated July 16, 2020, passed by the Regional Director. Pursuant to the merger order, Sharex ceased to exist as a separate entity and post-merger the name of our RTA is now "Link Intime India Private Limited". All Registrar and Share Transfer assignments pertaining to the Company stand transferred to Link Intime.

Share Transfer System:

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

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

Distribution of shareholding as on 31st March, 2021:

Sr. No.	Range of Shareholding	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1.	1-100	8,625	59.59	3,80,636	2.80
2.	101-200	2,360	16.30	3,78,449	2.78
3.	201-500	2,581	17.83	7,73,508	5.69
4.	501-1,000	470	3.25	3,63,428	2.67
5.	1,001-5,000	343	2.37	7,14,607	5.26
6.	5,001-10,000	47	0.32	3,22,778	2.37
7.	10,001-1,00,000	40	0.28	12,52,851	9.21
8.	1,00,001 and above	9	0.06	94,12,210	69.22
	Total	14,475	100.00	1,35,98,467	100.00

Shareholding Pattern (category wise) as on 31st March, 2021:

Sr. No.	Category	No. of Shares Held	% of Total Shareholding
1.	Promoters	77,36,712	56.89
2.	Mutual Funds	13,45,724	9.91
3.	Banks / Financial Institutions (FIs)	582	0.00
4.	Alternate Investment Fund	88,716	0.65
6.	NRIs	2,49,388	1.83
7.	Foreign nationals	1,182	0.01
8.	Trusts	1,000	0.01
9.	Investor Education and Protection Fund (IEPF)	2,19,504	1.61
10.	HUFs	5,44,224	4.00
11.	Private Corporate Bodies	2,89,465	2.13
12.	Resident Individuals	31,06,192	22.84
13.	Clearing Members	15,778	0.12
	Total	1,35,98,467	100.00

De-materialization of Shares and Liquidity:

- 1,31,30,946 Equity shares of the Company, representing about 96.56% (NSDL 85.24 % & CDSL 11.32%) of the total shares of the Company, have been dematerialized as on 31st March, 2021.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in de-materialized form with effect from 08th May, 2000 and are available for trading on both the depositories of India, i.e. M/s. National Securities Depository Ltd. (NSDL) & M/s. Central Depository Services (India) Ltd. (CDSL).

Reconciliation of share capital audit report

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

Statutory Compliance:

During FY 2020-21 under review, the Company has generally complied with all the applicable provisions, filed all returns, forms, etc. & furnished all the relevant particulars, as required under the Companies Act, 2013, to the extent notified and other allied Acts / Rules, the Securities & Exchange Board of India (SEBI) Regulations.

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

Commodity price risk or foreign exchange risk and hedging activities:

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

Plant Locations:

The Company has the following manufacturing plants as of 31st March, 2021, however the Company has stopped its Manufacturing operations from Ahmednagar Plant from 01st April, 2021:

Ahmednagar Plant (till 31 st March, 2021)	Chennai Plant
Plot B-5, MIDC Industrial Area, Nagar - Manmad Road, Ahmednagar - 414 111 Maharashtra, INDIA	Melakottiyur, via Vandalur, Kelambakkam Road, Chennai - 600 127, Tamil Nadu, INDIA
Chinchwad Plant	Raipur Plant
Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019 Maharashtra, INDIA	Industrial Estate, Bilaspur Road, Birgaon, Raipur - 493 221, Chattisgarh, INDIA
Silvassa Plant	
Survey No. 59/11/1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230 UT 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.

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

The details of number of complaints filed, disposed-off, during the year and pending as on 31st March, 2021 have been provided in the Directors' report.

Disclosure on Compliance

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

Disclosure on Accounting treatment in preparation of Financial Statements

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

B) Non Mandatory Requirements:

- **Chairman of the Board:**

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

- **Shareholders Rights:**

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

- **Audit Qualifications:**

There are no qualifications in the Auditor's Report.

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

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

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

There are no modified opinions in the audit report.

- **Training of the Board Members:**

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

- **Reporting of the Internal Auditors:**

In accordance with the provisions of Section 138 of the Act, M/s. Kirtane & Pandit, LLP. Chartered Accountants, Pune, were appointed as the Internal Auditors of the Company for the financial year 2020-21, to conduct the Internal Audit for all its Plants, sales offices and Head (Registered) Office, as per the scope approved by the Audit Committee. The internal auditor reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee, which reviews the audit reports and suggests necessary action, if any / required.

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

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

For and on behalf of the Board

Place: Mumbai
Date: 28th May, 2021

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

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

As the Managing Director of M/s. Ador Welding Limited and as required pursuant to Regulation 34(3) and Schedule V - Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board of Directors and Senior Management Personnel of M/s. 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 2020-21.

For and on behalf of the Board

Place: Mumbai
Date: 28th May, 2021

Aditya T. Malkani
Managing Director
(DIN: 01585637)

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 15 October 2020.
2. We have examined the compliance of conditions of corporate governance by Ador Welding Limited ('the Company') for the year ended on 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

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

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 21042423AAAAEK2125

Place: Mumbai

Date: 28 May 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

Ador Welding Limited

Ador House, 6, K. Dubash Marg,

Fort, Mumbai – 400001

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

In our opinion & to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated / listed below, for the Financial Year ended on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory / regulatory Authority.

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

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

For M/s. N. L. Bhatia & Associates
Practicing Company Secretaries

UIN: P1996MH055800

UDIN: F005436C000360307

Bharat Upadhyay
Partner

FCS: 5436

CP No. 4457

P/R No: 700/2020

PLACE: Mumbai

DATE: 24/05/2021

ANNEXURE IV - TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

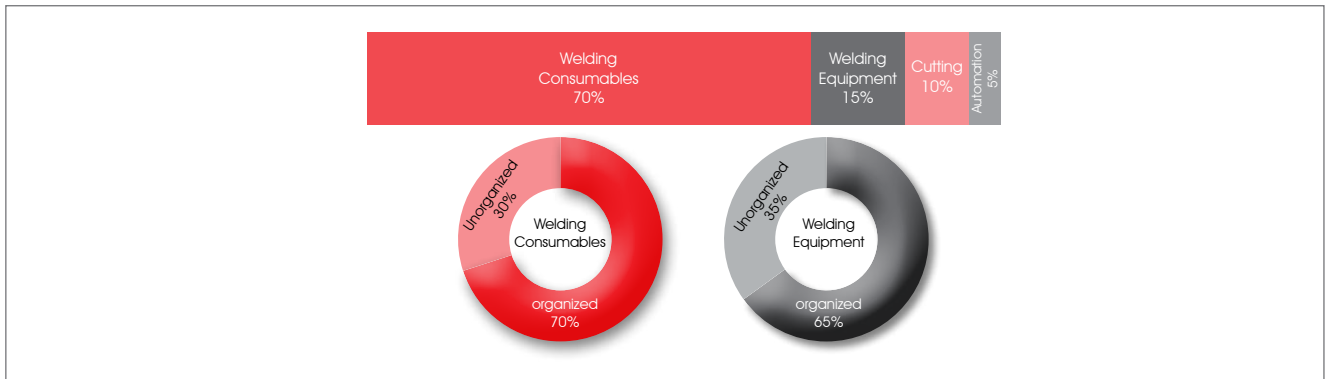
For over 60 (sixty) years, we have been serving clients in India and around the world with end-to-end welding & cutting products and solutions. What makes us unique is our willingness to make that extra effort for **creating the best welding experience** to our customers.

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

Welding touches our lives every day from household items to heavy machinery to transport, to almost everything that you can see around you, that is made of metal. The Welding Industry forms the backbone of the manufacturing sector, which accounts for around 16% of GDP. Welding is critical for any manufacturing process and the quality of welding has a direct impact on the quality of the final product.

The estimated Rs. 4500 Crore welding industry is structured in following way:



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

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

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

infrastructure, transportation and shipping.

Gross capital formation, which represents net investments in Fixed assets, stood at Rs. 28.27 Lakhs Crore (USD 405.88 billion) in HY-1 of FY 2019-20. The Government of India aims to increase the share of manufacturing in GDP to 25% by the year 2022 from current 16%. All this augurs well for the welding industry, which can be expected to grow @ CAGR of around 9%, over the period.

OPPORTUNITIES AND THREATS

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

OUTLOOK, RISKS AND CONCERNS

Due to COVID 19 pandemic, the first two quarters of the fiscal 2020-21 reported negative growth in India. However India's GDP showed "V" shaped recovery in the third and fourth quarters of FY 2020-21.

In Union Budget for FY 2021-22, Finance Minister delivered a growth-oriented budget for the coming fiscal year. The Finance Minister tried to revitalize the infrastructure sector in India, in order to probably have a multiplier effect on the Indian economy and help it stay on the path of growth for the coming year. She counted physical infrastructure as one of the six pillars of her Budget. The Indian GDP is expected to grow by 7-8% and manufacturing sector is expected to contribute 25% in GDP, which is 15 to 16% at present.

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

The Indian manufacturing sector has the potential to reach US\$ 1 trillion by the year 2025.

10% increase in budgetary outlay on infrastructure was always expected, however, the Government has committed Rs. 5.54 Lakhs Crore towards infrastructure in FY 2021-22, as against Rs. 4.39 Lakhs Crore in FY 2020-21, which translates to an increase of 26%. This clearly shows the continued commitment and focus on infrastructure as a key enabler for GDP growth, going forward.

This will boost the welding industry to grow at 8-9% and welding consumable sector is likely to grow by 10- 11% CAGR and equipment sector is likely to grow by 5-6% CAGR.

INCOME STATEMENT ANALYSIS

FY 2020-21 was badly impacted due to lockdown across the country and the globe. In FY 2020-21, overall revenue from the operations dipped by 15% at Rs. 44,728 Lakhs, as compared to Rs. 52,556 Lakhs in previous FY 2019-20. Revenue from consumables

was at Rs. 35,220 Lakhs, as compared to Rs.40,391 Lakhs in the previous year. Revenue from equipment & automation business was at Rs.7,049 Lakhs, as compared to Rs. 7,354 Lakhs in the previous year. Revenue from Project Engineering Business (PEB) was at Rs.2,459 Lakhs, as compared to Rs. 4,811 Lakhs in the previous year. Other income of Rs. 731 Lakhs mainly consisted of forex gains, interest income, rental income and export incentive, etc. We continuously endeavor to improve gross margins through a mix of cost control, product pricing and innovation.

BALANCE SHEET ANALYSIS

During the FY 2020-21, the Company has improved a lot in terms of management of its working capital. Overall working capital has been controlled at 87 days compared to 120 days in the previous year. Improved working capital enabled us to bring borrowing significantly down, from Rs. 82 Crore as on 31st March 2020 to Rs. 28 Crore as on 31st March 2021. The Company has funded all its capital investment from internal accruals.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

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

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

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

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

HUMAN RESOURCES

The integrated efforts of all the Adorians have enabled us to sail through the rough waves brought on by COVID-19 pandemic amid a year of unexpected events, uncertainties & insecurities about the future. The undying dedication & determination of all Adorians in the face of unknown challenges has strengthened our belief that the future of AWL family is surely something to look forward to.

We, at AWL, have faith in our employees who are one of the key pillars of our Business. Our strength

lies in recognizing their talents and leveraging them to achieve success. We believe that the success of our employees will not only benefit the organization but also our customers and business partners. Hence, taking care of our Ador family is of utmost importance.

To retain and nurture this talent, AWL has adopted a culture of performance, safe work environment and also various HR policies, training programs, employee engagement & well-being initiatives. This year our focus was more on well-being of our employees and enabling a safe working environment to them. Some policies / processes have been updated to meet the changing working environment i.e. "Work from Home", increased cover in Insurance etc.

This year most of the training programmes were conducted in a virtual space i.e. by e-learning and web based systems. Several Technical & Behavioral development interventions were conducted to train the leadership team, managers and junior employees. Programs such as Managing Thoughts and Feelings in Tough Times, Internal Auditor Training, English Course for Bright Sales Engineers, Strategic Thinking, Analytical Thinking in Group/Personal Decision Making, Performance Coaching to Help Improve Team Member Performance, Conflict Resolution & Critical Conversation Skills, Navigating Difficult Interpersonal Situations are some of the Key interventions that took place apart from the regularly conducted on-the-job and other technical trainings.

We will work together towards achieving our **Vision of "Creating the best Welding Experience"** by imbibing three core values of Enhancing Performance, Building Trust & Relationship and strive to give better Customer Experience.

The employee strength as of 31st March 2021 stood at 519.

Disclaimer:

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

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai
Date: 28th May, 2021

ANNEXURE V - TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,

Ador Welding Limited

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the process of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
4. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and amendments thereto ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR');
 - b) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the Financial Year under review;**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the Financial Year under review;**

- g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable to the Company during the Financial Year under review;**
- h) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993; **Not applicable to the Company during the Financial Year under review;**
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Financial Year under review;**
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable to the Company during the Financial Year under review;**

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

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by 'The Institute of Company Secretaries of India' ('ICSI')

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and LODR. During the period under review, there were following changes in the composition of the Board of Directors:

1. Mr. Satish M. Bhat (DIN: 05168265), Managing Director of the Company, resigned on and with effect from 07th September, 2020.
2. Mr. Aditya T. Malkani (DIN: 01585637) was re-designated & appointed as the Managing Director (Whole-Time Director) of the Company in the Board Meeting held on 07th September, 2020, for a term of three years with effect from 14th September, 2020.
3. Mr. Manoj M. Maheshwari (DIN: 00012341), Independent Director of the Company, resigned on and with effect from 07th December, 2020
4. Mrs. Ninotchka Malkani Nagpal (DIN: 00031985), Executive Chairman, of the Company was re-appointed in the Board Meeting held on 05th February, 2021 for a term of three years effective 07th May, 2021.

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

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

During the financial year under review, the meeting of Independent Directors was held on 05th February, 2021 for Board Evaluation.

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

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

We further report that, during the period under review, at the Annual General Meeting held on 22nd September, 2020, through the electronic mode of video conferencing, wherein the shareholders approved the following, by way of Special Resolution:

1. Re-appointment of Mr. Manoj M. Maheshwari (DIN: 00012341) as an Independent Director of the Company
2. Re-designation of Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) as the Executive Chairman of the Company
3. Re-designation and Appointment of Dr. Deep A. Lalvani (DIN: 01771000) as the Whole Time Director of the Company
4. Payment of remuneration to the Executive Directors, who are Promoters or Members of the promoter group in terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.
5. Shifting of Registers and Records of the Company.

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

UDIN: F005436C000360285
PLACE: Mumbai
DATE: 24/05/2021

Bharat Upadhyay
Partner
FCS: 5432
CP No. 4457
P/R No: 700/2020

'ANNEXURE A'

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

- a) Factories Act, 1948 and Rules made thereunder
- b) Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
- c) Payment of Bonus Act, 1965 & Rules, 1965
- d) Maternity Benefit Act, 1961 & Rules
- e) Employees Compensation Act, 1923 & Rules.
- f) Minimum Wages Act, 1948, M.W (C) Rules, 1950
- g) Child Labour (P&R) Act 1986, & Rules.
- h) Air (Prevention and Control of Pollution) Act, 1981
- i) Water (Prevention and Control of Pollution) Act, 1974
- j) The Noise (Regulation and Control) Rules, 2000
- k) The Environment (Protection) Act, 1986
- l) Payment of Wages Act, 1936
- m) Employees State Insurance Act, 1948
- n) Employees PF & Miscellaneous Provisions Act, 1952
- o) Contract Labour (Regulation & Abolition) Act, 1970
- p) Legal Metrology Act, 2009
- q) Payment of Gratuity Act, 1972
- r) Industrial Disputes Act, 1947
- s) Indian Contract Act, 1872
- t) The States Shops and Establishment Act
- u) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- v) Income tax Act, 1961
- w) The States Goods and Services Tax Act, 2017
- x) The Central Goods and Services Tax Act, 2017
- y) The Interstate Goods and Services Tax Act, 2017
- z) Any other Central & State Acts and rules made thereunder, as may be applicable

To,

The Members,

Ador Welding Limited

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

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
- (2) We have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis, for our opinion.
- (3) We have not verified the correctness and appropriateness of the financial records and the Books of Accounts of the Company.
- (4) Wherever required, we have obtained the Management Representation about the compliance of the applicable Laws, Rules & Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other Applicable Laws, Rules, Regulations, Standard is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
- (7) Due to the lockdown imposed in the State of Maharashtra, on account of second wave of COVID-19 pandemic it was not possible to conduct a physical audit and hence the Company has extended a virtual data room facility to the Auditor for performing the Secretarial Audit for FY 2020-21 .

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

Bharat Upadhyay
Partner
FCS: 5432
CP No. 4457
P/R No: 700/2020

UDIN: F005436C000360285
PLACE: Mumbai
DATE: 24/05/2021

ANNEXURE VI – TO THE DIRECTORS' REPORT

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for Financial Year (FY) 2020-21:

Sr. No.	Name of the Director	Designation	Ratio
1.	Mrs. N. Malkani Nagpal	Executive Chairman	27.30
2.	Mr. A. T. Malkani	Managing Director	14.28
3.	Mr. D. A. Lalvani	Whole – Time Director	29.79
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	NA
5.	Ms. Tanya H. Advani	Director (Non-Executive)	NA
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	0.41
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	0.35
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	0.45
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	0.28
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	0.25
11.	Mr. S. M. Bhat (a)	Ex- Managing Director	11.00
12.	Mr. M. K. Maheshwari (b)	Ex- Director (Independent & Non-Executive)	0.22

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year (FY) 2020-21:

Sr. No.	Name of the Director	Designation	%variance
1.	Mrs. N. Malkani Nagpal	Executive Chairman	-7.45
2.	Mr. A. T. Malkani	Managing Director	1,104.36
3.	Mr. D. A. Lalvani	Whole – Time Director	148.39
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	-100.00
5.	Ms. Tanya H. Advani	Director (Non-Executive)	-100.00
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	-72.00
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	-78.10
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	-70.54
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	-79.49
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	NA
11.	Mr. S. M. Bhat (a)	Ex- Managing Director	-70.04
12.	Mr. M. K. Maheshwari (b)	Ex- Director (Independent & Non-Executive)	-84.03

Notes:

- a) Mr. S. M. Bhat resigned from the Board on and w.e.f. 07th September, 2020
b) Mr. M. K. Maheshwari resigned from the Board on and w.e.f. 07th December, 2020

3. The percentage increase in the median remuneration of employees in FY 2020-21 over FY 2019-20: **0%**
4. The number of permanent employees on the roll of the Company as on 31st March, 2021: **519**
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2020-21 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: **NA**
6. Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes, it is confirmed that the remuneration paid, during FY 2020-21, was as per the Remuneration Policy of the Company, however no increments were given to any employee in last FY 2020-21.**
7. Details of **top 10 employees** of the Company in terms of remuneration* drawn in FY 2020-21:

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.	Sunanda Kumar Palit	58	Head – CCC and Strategic support to Equipment & WAPS	B.Tech. (Hons.) from IIT Kharagpur	37	04-Jun-2012	Divisional Product Manager (Equipment Division)	ESAB India Ltd.
2.	Kishor D. Kokate	57	Head - Plant Operations	BE (Met), DMM, MBA	34	05-Oct-1987	Trainee Engineer	Buckau Wolf (I) Ltd. Thyssen Krupp
3.	Sachin H. Dobhada	54	Head – TDC & Equipment Quality	B.E. (Industrial Electronics)	33	08-May-2006	Manager-R&D	Hueco Electronic (India) Pvt. Ltd.
4.	V.M.Bhide	52	Head - Corp. Admin, IA, HR, Legal & Company Secretary	B.Com., LL.B. (Gen), AICWA, DTL, DLL & LW, FCS	30	04-Jan-1993	Assistant (Costing)	BASF India Ltd.
5.	S Ajaykumar	55	Head - International Business	Masters in Electronics	30	04-Apr-2009	National Manager (Sales & service)- All India	Atlas MIT (I) Pvt. Ltd.
6.	Vineet Bansal	52	Sales Head – Domestic Welding	Mechanical Engineering	29	03-Nov-1992	Engineer – Technical Services	Cimmco Limited, Bharatpur
7.	Laxmiprasad Bansod	49	Head - IT	MBA	26	06-Oct-2008	Manager-IT	Haworth India Pvt. Ltd.
8.	Rakesh Choudhary	50	Head - WAPS SBU	BE - Mechanical	26	02-Apr-2018	Sales Manager India	Usha Martin Industries Ltd.
9.	Ulhas Pujari	46	Head – PEB Manufacturing	BE and MBA	26	15-Jul-2013	DGM Production	Carraro India Ltd.
10.	Surya Kant Sethia	41	CFO	Chartered Accountant (CA)	15	22-Jun-2015	DGM (Accounts & Finance)	Equinox Realty and Infrastructure Pvt. Ltd

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

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

8. Details of employees with annual remuneration of Rs. 102 Lakhs or more, who are employed throughout the year or monthly remuneration of Rs. 8.50 Lakhs or more, even if employed for part of the year during FY 2020-21:

Sr. No.	Name	Age (Years)	Designation	Remuneration (Gross) (Rs. in Lakhs)	Qualification/s	Years of Experience	Date of Commencement of Employment	Last Employment	
								Post Held	Name of the Last Employer
1.	Mrs. N. Malkani Nagpal	51	Executive Chairman	116.29	<ul style="list-style-type: none"> MBA. with specialization in Finance from Imperial College, UK; B.Sc. in Business & Economics from Lehigh University, PA, USA 	28	03.10.1997	Chairman & Whole Time Director	J. B. Advani & Co. Pvt. Ltd.
2.	Mr. Aditya T. Malkani (since 14th September, 2020)	40	Managing Director	60.82	<ul style="list-style-type: none"> Pursued B.A. (Economics) from Oberlin College (Ohio, USA) MBA from Indian School of Business (ISB), Hyderabad 	14	27.07.2007	Chairman & Whole Time Director	Ador Fontech Limited.
3.	Dr. Deep A. Lalvani	39	Whole-time Director	126.90	<ul style="list-style-type: none"> A Commerce Graduate with distinction in Marketing & Advertising and Masters in Commerce with specialization in Accounts Pursued MBA from Manchester Business School, UK and did courses at London School of Economics, UK Awarded an honorary Doctorate in the year 2019 	19	27.07.2007	General Manager	Ador Fontech Limited.
4.	Mr. S. M. Bhat (till 07th September, 2020)	60	Ex-Managing Director	46.88	<ul style="list-style-type: none"> A Bachelor in Production Engineering from VJTI of 1983 batch Post-graduation in International Marketing and Finance from International Management Institute (IMI) New Delhi, which is affiliated with Institute of Management Development (IMD), Geneva 	36	02.06.2008	V.P. (Business Development)	Schuler (India) Pvt. Ltd.

Notes:

1. All the above Appointments are Contractual.
2. Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, Leave encashment, contribution to Provident Fund, Superannuation Fund, Gratuity 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. Mrs. Ninotchka Malkani Nagpal holds 81,052 equity shares, Mr. Aditya T. Malkani holds 1,23,198 shares and Dr. Deep A. Lalvani holds 19,419 equity shares, of the Company as on 31st March, 2021.
5. Mrs. Ninotchka Malkani Nagpal, Mr. Aditya T. Malkani and Dr. Deep A. Lalvani are not related to any other Directors or to each other or to any of the employees of the Company.
6. Mr. Aditya T. Malkani was appointed as the Whole-Time Director, designated as the Managing Director, w.e.f. 14th September, 2020
7. Mr. S. M. Bhat resigned on and w.e.f. 07th September. 2020

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Place: Mumbai
Date: 28th May, 2021

ANNEXURE VII – TO THE DIRECTORS REPORT

BUSINESS RESPONSIBILITY REPORT

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

AWL's **Vision** is **"Creating the Best Welding Experience"**. AWL adopts responsible business practices, which are in the interest of the environment and the society at large. AWL commits towards a comprehensive growth, by adopting a framework to integrate social, environmental, humanitarian concerns into its core business strategy, in the best interest of all its stakeholders. AWL believes that a Company's performance must be quantified in a balanced economic, environmental and social imperative.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- 1 **Corporate Identity Number (CIN) of the Company** : L70100MH1951PLC008647
- 2 **Name of the Company** : M/s. Ador Welding Limited
- 3 **Registered address** : Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India
- 4 **Website** : www.adorwelding.com
- 5 **Email** : investorservices@adorians.com
- 6 **Financial Year (FY) reported** : FY 2020-21
- 7 **Sector(s) that the Company is engaged in (industrial activity code-wise):**

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

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

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

Kindly visit / log on to our website www.adorwelding.com for complete list of our products.

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

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

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

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

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 13.60 Crore

2. Total Turnover (INR): 454.59 Crore

3. Total profit after taxes / (Loss) (INR): (11.47) Crore

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The Company's total spending on CSR for the year ended 31st March, 2021 was Rs. 59.68 Lakhs, which is 2% of its average profits of the last 3 (three) years, calculated under Section 198 of the Companies Act, 2013.

5. List of activities in which expenditure in 4 above has been incurred: Please refer Annexure I to Board's Report for details on CSR initiatives / activities undertaken by the Company.

SECTION C: OTHER DETAILS

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

During the year under review, the Company had only 1 (one) Subsidiary Company i.e. M/s. Ador Welding Academy Private Limited (AWAPL), located at Pimpri, Pune in Maharashtra, India. The details of the subsidiary can be viewed on the Company's website.

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

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

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

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

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

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

DIN: 01585637

Name: Mr. Aditya T. Malkani

Designation: Managing Director

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	01585637
2.	Name	Mr. Aditya T. Malkani
3.	Designation	Managing Director
4.	Telephone number	022-66239300 / 22842525
5.	E-mail id	investorservices@adorians.com

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / International standards? If yes, specify? (50 words)	People policies including POSH, non-discrimination, ethics such as whistle blower policy, etc. are as per the national norms. Other policies (e.g. sustainability, CSR, EH&S) have originated internally from our values. However, all the policies conform to the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on Responsible Business Conduct, notified by the Ministry of Corporate Affairs (MCA), Government of India (GOI).								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	View restricted to the respective stakeholders.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of its policies. The policies are evaluated internally from time to time and updated, with the changes in laws & circumstances, whenever required.								

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

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

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year
The Board of Directors, and the BR head of the Company generally reviews and assesses various aspects of the BR performance of the Company annually, or as & when required.
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, the Company publishes the Business Responsibility Report (BRR) annually from the financial year 2019-20 onwards and the said report forms an integral part of the Board's Report & is annexed at 'Annexure VII'.

The BRR forming part of the Annual Report for FY 2020-21 of the Company is also available onto the website of the Company viz.: www.adorwelding.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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

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

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

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

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

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

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

The Companies stakeholders include our investors, clients, employees, vendors / partners, government authorities, and local communities.

The Company has setup an investor grievance mechanism / cell to respond to investor grievances in a timely and appropriate manner. The details of Stakeholders complaints received and resolved during the financial year 2020-21 are as follows:

Sr. No.	Description	No. of Complaints
1	Stakeholders Complaints Received	655
2	Stakeholders Complaints Resolved	654
3	Stakeholders Complaint Pending	01
4	Percentage of Stakeholders Complaint Resolved	100%

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS AND SERVICES

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

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

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

- **Welding Machines: Inverter technology with digital Controller**

Welding machine uses high frequency inverter technology, due to which dependency of machine on electrical power is reduced, which results in saving of energy bills. Machine is using less number of components due to the use of digital controllers, which resulted in reduction of weight and size of machines.

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

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

- **Welding Consumables: Special Hard facing electrodes**

AWL developed special hard facing electrodes, specially designed for defense applications, which have improved the life of the parts significantly and wearing due to abrasion has been reduced drastically.

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

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

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

- We successfully eliminated the usage of EPS (Thermocol) material for packing and started 100% usage of re-cyclable EPE and Corrugated Papers.
- Rationalization of raw material of Special Welding consumable/s is done, which has reduced the number of ingredients leading to reduction in inventory.
- Also due to use of digital controllers, number of components used in the machine are reduced and many components including PCBs have become common for many machines. This has reduced the inventory.

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

The Company, on a continuous basis, takes several measures to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material / other resources and pursuing zero pollution through various initiatives, technological upgradation and improvement projects. Welding machines, with inverter technology, give energy saving of 30% over welding machines with conventional technology. About 20% of our machine sale has shifted from conventional technology-based machines to Inverter technology-based machines. In FY 2020-21 we sold fewer conventional technology based welding machines (560 nos) as compared to FY 2019-20 (670 nos). These were replaced by high energy efficient inverter-based machines.

For baking electrode conversion of electric ovens to LPG ovens has resulted in energy saving approx. by 10%.

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

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

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

➤ **Environmental initiatives**

- Use of recycled packing materials for welding equipment.
- Utilization of Green Energy. (518 KW Solar Power Plant installed in Raipur & 115 KW Solar Power Plant installed at Silvassa)
- Use of POHS compliant products, use of recyclable packaging material and reusable packaging.
- Wire basket used for MIG wire spooling, to reduce the use of Plastic spools, to some extent.
- Recycled ABS material used for Spools, in place of Virgin plastic, for MIG spooling.

➤ **Hazardous / Risk Control initiatives**

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

➤ **Social initiatives**

- Training of underprivileged youth on skill development of Welding Skill at our Ador Welding Academy and co-ordination with industry for their employment
- Various training sessions were carried out for suppliers for improving their quality and productivity, through Process and Quality audits.

➤ **Economic initiatives**

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

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

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

Our raw material import content, for welding equipment, has been reduced from 20 % to 4 % last year. All electrical and electronic parts of machines are developed in-house and are being manufactured locally by developing the vendors locally & improving their manufacturing and technical capabilities. Local procurement stands at 67% of the total procurement today and has improved from 60% to 67%

in the last two years alone. Further, most of the raw materials such as minerals, oxides, which are required for manufacturing welding consumables, are locally developed through local vendors. The design of the consumables is also altered in some cases to aid localizations. We, through our subsidiary Company, AWAPL, impart welding training to the underprivileged youth, which helps widening their scope of employment and their standard of living.

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

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

PRINCIPLE 3: EMPLOYEE WELLBEING

1. Please indicate the total number of employees: **519**
2. Please indicate the total number of employees hired on temporary / contractual / casual basis- **95**
3. Please indicate the number of permanent women employees: **27**
4. Please indicate the Number of permanent employees with disabilities: **NIL**
5. Do you have any employee association that is recognized by Management: **No**
6. What percentage of your permanent employees are Members of this recognized employee association: **NA**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

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

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - a) Permanent Employees- **100%**
 - b) Permanent Women Employees- **100%**
 - c) Casual / Temporary / Contractual Employees- **50%**
 - d) Employees with Disabilities- **NA**

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

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

PRINCIPLE 4: RESPONSIVENESS TO ALL STAKEHOLDERS / STAKEHOLDER ENGAGEMENT

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

Yes. The Company deals with various stakeholders viz. business partners, employees, contract workers, Bankers, investors / shareholders and suppliers / vendors, who directly or indirectly influence our business operations. The Company uses both formal and informal mechanisms / channels to engage with various stakeholders to understand their concerns and expectations. Engagement with the stakeholders is an on-going process and the individual departments within the organization have roles and responsibilities, identified & defined to engage with various stakeholders. The Policies of the Company guide the Company and its employees' interactions with various stakeholders.

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

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

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

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

The Company, as part of fulfilment of its CSR obligation, has undertaken programs and projects, which are aimed at serving the needy, socio-economically backward and disadvantaged communities to improve their quality of life, such as women empowerment and promotion of education and healthcare by identifying the marginalized segments of the society and contributing towards meeting their social needs. AWL strives to contribute to different sections of the society. Please refer Annexure I to our Board's Report for details of our CSR initiatives / activities undertaken by the Company in FY 2020-21.

PRINCIPLE 5: PROMOTING HUMAN RIGHTS

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

AWL recognizes, supports and respects the protection of human rights, labour & environmental standards. AWL does not hire child labour, forced labour and involuntary labour. The suppliers / contractors / NGOs dealing with the Company, are always encouraged to maintain ethical standards in all their practices. AWL values and strives to protect the wellbeing of its employees. AWL endorses the importance of human rights at all levels, at all times.

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

No complaints relating to human rights violation were received during the last financial year 2020-21.

PRINCIPLE 6: PROTECTING THE ENVIRONMENT

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

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

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

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

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

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

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

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

Yes, in line with the National Clean Development Mechanism, the Company has replaced Tube lights with LED lights. The Company has also successfully installed a solar panel for 115 KWP in Silvassa.

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

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

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

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

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

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

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

As on the end of the Financial Year 2020-21, there was no unresolved show cause / legal notices, received from CPCB / SPCB.

PRINCIPLE 7: RESPONSIBLE POLICY ADVOCACY

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

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

(a) Bombay Chamber of Commerce and Industry (BCCI)

(b) Association of Welding Products Manufactures (AWPM)

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

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

PRINCIPLE 8: INCLUSIVE DEVELOPMENT

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

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

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

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

The Company undertakes various CSR activities either through registered Trusts or by contributing directly to the NGOs, that / which have established track records of carrying out CSR activities. M/s. Ador Welding Academy Private Limited (AWAPL), our wholly-owned subsidiary, regularly conducts programs for imparting training to the youth, especially from the socially weak background, in the field of welding through sponsorship from various Corporates, under their CSR initiatives. During the financial year under review, AWAPL continued imparting training despite nationwide lock-down / restrictions due to the COVID-19 pandemic scenario through electronic means by conducting "on-line" webinars & seminars on the welding processes.

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

We constantly assess, monitor and capture feedback in both, formal and informal ways, with respect to our CSR spends. We have involvement of our Management and their guidance for effectively assessing the impact. Management ensures the implementation of the CSR projects, as recommended by the Corporate Social Responsibility Committee and approved by the Board of Directors of the Company. They also closely monitor the CSR activities of the Company & review / assess it quarterly or whenever required.

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

The Company has spent its share of CSR obligation of Rs. 58.58 Lakhs for the financial year 2020-21. The Company has spent the entire CSR obligation for the below named activities / projects:

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

The details of the projects / initiatives undertaken by the Company during FY 2020-21 are given in detail in the 'Annexure I' of the Board's Report.

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

We directly connect with the beneficiaries at the grass root level. We believe in transformation of a long term nature and hence we engage in internal tracking, periodical reporting, telephonic and e-mail communications, as and when required, to monitor the successful implementation of the initiatives.

PRINCIPLE 9: PROVIDING VALUE TO THE CUSTOMERS

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

A well-established system viz. Customer Care Center (CCC) is in place for dealing with customer feedback and complaints. Customers are provided various options to connect with the Company through e-mails, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed and all efforts are taken to resolve the same in a timely manner. There aren't any customer complaints / consumer cases pending as on the end of last financial year 2020-21. All the complaints are efficiently attended by our cross functional team (Plant QC team / Plant Production / TDC {R&D} team) along with our sales team.

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

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

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

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

No complaints or cases have been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behavior, during the financial year 2020-21 under review.

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

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

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

For and on behalf of the Board

Place: Mumbai
Date: 28th May, 2021

Aditya T. Malkani
Managing Director
(DIN: 01585637)

Independent Auditor's Report

To the Members of Ador Welding Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ador Welding Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

4. We draw attention to
 - i. Note 47 of the accompanying standalone financial statements which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and standalone financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.
 - ii. Note 60 to the accompanying standalone financial statements regarding the restatement carried out by the management of the Company in September quarter, in accordance with the principles of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" on account of adjustments pertaining to revenue recognition under Ind AS 115 – "Revenue from Contracts with Customers", which is further described in the aforesaid note.

Our opinion is not modified in respect of these matters

Key Audit Matters

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

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

Key Audit matter	How our audit addressed the key audit matter
Revenue Recognition	Our response:
Refer Notes 1(II)(n), 33 and 59 to the standalone financial statements	
<p>Revenue recognition</p> <p>Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Company has three reportable business segments: i) Consumables ii) Equipment; and iii) Project Engineering Business (PEB).</p> <p>The timing of recognition of revenue in case of sale of consumables is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms i.e. performance obligations are satisfied at a point in time.</p> <p>The performance obligations, in case of PEB, are satisfied over the time, whereas in case of equipment, performance obligations are satisfied at a point in time.</p>	<p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from contracts with customers") and testing thereof. • Evaluated the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts). • Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorized person and goods inward note. • Selected a sample of continuing and new contracts and performed the following procedures; <ul style="list-style-type: none"> – Read, analysed and identified the performance obligations in these contracts; – Compared these performance obligations with that identified and recorded by the Company; – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and – Determined the allocation of transaction price to identified performance obligations in the contract. • scrutinized sales ledgers to verify completeness of sales transactions.

	<ul style="list-style-type: none"> • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, approved price list, proper recording in ledger of receivables etc. • Performed analytical procedures on current year revenue based on overall revenue recognized, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. • Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; <p>Tested the related disclosures made in standalone financial statements in accordance with Ind AS 115.</p>
Key Audit matter	How our audit addressed the key audit matter
Indirect tax balances and litigations	Our response:
Refer Notes 1 (II)(t), 12 and 43 to the standalone financial statements	
<p>Indirect tax balances and litigations</p> <p>As at 31 March 2021, the Company has balances with indirect tax authorities aggregating to Rs. 2,770 lakhs (PY Rs. 1,990 lakhs) net of provision Rs 1,939 lakhs (PY 1,990) and has contingent liabilities amounting Rs. 2,167 lakhs (PY Rs. 4,032 lakhs) pertaining to various indirect tax matters pending before appropriate authorities. Based on a detailed assessment done by the management of recoverability of aforesaid balances, the Company has provided for Rs 831 lacs during the year against such balances.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The eventual outcome of the said legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.</p> <p>We considered this as Key audit matter due to the materiality of the amounts involved, inherent high estimation uncertainty and significant judgements as stated above.</p>	<p>Our audit procedures included, but were not limited to, the following –</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for: <ul style="list-style-type: none"> o identification of indirect tax matters that are under litigations, or involve balances with the authorities that are doubtful of recovery o assessment of accounting treatment for each such litigation identified in accordance with the principles under Ind AS 37, and o measurement of amounts involved in such litigations and assessments. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained and read the Company's accounting policies in respect of balances, provisions and contingent liabilities to assess compliance with accounting standards. • Obtained list of indirect tax balances, litigations and claims as at 31 March 2021 from management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations and recoverability of balances with government authorities. This involved assessing the probability of an unfavorable outcome of a given proceeding and testing the computation of amounts involved, through inspection of underlying documents and communications with the tax authorities.

	<ul style="list-style-type: none"> • Evaluated assessment of the management with respect to long standing balances with authorities which have been considered good and recoverable as at 31 March 2021. • Engaged auditor's experts, who obtained an understanding of the management's assessment of the recoverability, conducted discussions with the management, and considered relevant tax laws and available precedents to validate the conclusions made by the management. • Assessed and evaluated the adequacy and appropriateness of the disclosures made by the management in the accompanying standalone financial statements.
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Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. 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.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2021 as per Annexure B expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 43 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 21042423AAAAEI5961

Place: Mumbai
Date: 28 May 2021

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 2021

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 property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain 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. Immovable properties in the nature of land whose title deeds have been pledged as security for loans are held in the name of the Company, which is verified from confirmations directly received by us from lenders.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for stocks lying with third parties and no material discrepancies between physical inventory and book records were noticed on physical verification / material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (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 investments. There are no loan, guarantee and security given by the Company.
- (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) The Company is regular in depositing 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, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of goods and service tax and duty of customs that have not been deposited with appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service-tax, , duty of excise and value added tax on account of any dispute, are as follows :

Statement of Disputed Dues

(Rs in lakhs)

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of scientific research expenses	62.63	12.55	Financial year 2013-14	CIT (Appeals)
The Central Excise Act, 1944.	Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/interest, if any)	7.72	1.00	1998-99	Custom, Excise and Service Tax Appellate Tribunal
		2.18	0.96	2006-07	Assistant Commissioner
		13.42	-	2008-09	Commissioner-Appeal
		899	898.16	2012-2017	
Central Sales tax Act and Local Sales Tax Acts of various statutes	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
		45.19	35.87	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
		341.45	341.45	2005-2006	Additional session court
		484.86	-	2005-2006	DC – Appeals
121.87	-	2016-2017	Deputy Commissioner of Sales Tax/Joint Commissioner		
Customs Act, 1962	Refund of custom duty on account of valuation	45.53	45.53	2016-2017	The Assistant Commissioner of Customs

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

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

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 21042423AAAAEI5961

Place: Mumbai
Date: 28 May 2021

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 2021

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

1. In conjunction with our audit of the standalone financial statements of Ador Welding Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 21042423AAAAEI5961

Place: Mumbai
Date: 28 May 2021

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Notes	(Rs. in lakhs)		
		As at 31 March 2021	As at 31 March 2020 (Restated) ^	As at 1 April 2019 (Restated) ^
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2	10,677	11,446	10,461
(b) Right-of-use asset	3	101	110	-
(c) Capital work-in-progress	4	327	28	102
(d) Investment property	5	789	810	887
(e) Intangible assets	6	75	87	120
(f) Intangible assets under development		-	5	5
(g) Investment in subsidiary	7A	213	353	353
(h) Financial assets				
(i) Investment	7B	-	-	-
(ii) Loans	8	174	183	160
(iii) Other financial assets	9	723	687	531
(i) Income tax (current-tax) assets (net)	10	1,192	1,082	1,258
(j) Deferred tax assets (net)	11	86	-	-
(k) Other non-current assets	12	1,977	2,072	2,149
Total non-current assets		16,334	16,863	16,026
(2) Current assets				
(a) Inventories	13	6,246	6,221	5,159
(b) Financial assets				
(i) Investments	14	965	282	341
(ii) Trade receivables	15	10,533	12,977	8,451
(iii) Cash and cash equivalents	16	1,688	502	2,667
(iv) Other bank balances	17	112	138	133
(v) Loans	18	114	157	159
(vi) Other financial assets	19	193	4,307	6,479
(c) Income tax assets (net)	20	-	439	-
(d) Other current assets	21	1,217	1,998	2,893
		21,068	27,021	26,282
(e) Assets classified as held for sale	22	106	-	-
Total current assets		21,174	27,021	26,282
Total Assets		37,508	43,884	42,308
Equity and liabilities				
Equity				
(a) Equity share capital	23	1,360	1,360	1,360
(b) Other equity		22,383	23,530	23,247
Total equity		23,743	24,890	24,607
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	24	136	145	23
(b) Provisions	25	359	387	172
(c) Deferred tax liabilities (net)	26	-	423	883
(d) Other non-current liabilities	27	5	7	7
Total non-current liabilities		500	962	1,085
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	28	2,800	8,191	6,499
(ii) Trade payables	29			
Total outstanding dues to micro, small and medium enterprises		249	316	60
Total outstanding dues to creditors other than micro, small and medium enterprises		7,145	6,967	7,575
(iii) Other financial liabilities	30	1,090	1,734	1,265
(b) Other current liabilities	31	1,488	356	753
(c) Provisions	32	493	468	464
Total current liabilities		13,265	18,032	16,616
Total equity and liabilities		37,508	43,884	42,308
Summary of significant accounting policies and other explanatory information				
The accompanying notes form an integral part of the standalone financial statements				
^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 60)				
This is the standalone balance sheet referred to in our report of even date.				

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

Place : Mumbai
Date : 28 May 2021

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

Surya kant Sethia
Chief Financial Officer

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in lakhs)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020 (Restated) ^
I. Income			
(a) Revenue from operations	33	44,728	52,556
(b) Other income	34	731	908
Total Income		45,459	53,464
II. Expenses			
(a) Cost of raw materials and components consumed	35	32,620	36,219
(b) Purchase of stock-in-trade	36	947	653
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	(1,189)	(58)
(d) Employee benefits expenses	38	3,756	4,241
(e) Finance costs	39	641	861
(f) Depreciation and amortisation expense	2,3,5,6	1,110	1,068
(g) Other expenses	40	6,605	7,473
Total expenses		44,490	50,457
III. Profit before exceptional items and tax (I-II)		969	3,007
IV. Exceptional items (net) (Loss)	62	(2,537)	-
V. (Loss)/Profit before tax (III-IV)		(1,568)	3,007
VI. Tax (credit)/expense	41		
(a) Current tax		158	855
(b) Deferred tax (credit)/ charge		(527)	(410)
Total tax (credit)/ expense		(369)	445
VII. (Loss)/Profit for the year (V-VI)		(1,199)	2,562
VIII. Other comprehensive income	42		
(a) Items that will not be reclassified to statement of profit and loss		70	(197)
(b) Income tax relating to above items		(18)	50
Total other comprehensive income/(loss) (net)		52	(147)
IX. Total comprehensive (loss)/ income for the year (VII+VIII)		(1,147)	2,415
X. Earnings per equity share	54		
Basic and diluted (losses)/earnings per share (Face value per share Rs. 10)		(8.82)	18.84
Summary of significant accounting policies and other explanatory information 1			
The accompanying notes 1 to 64 are an integral part of the standalone financial statements			
^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 60)			
This is the standalone statement of profit and loss referred to in our report of even date.			

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

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

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

Surya Kant Sethia
Chief Financial Officer

A. T. Malkani
Managing Director
DIN : 01585637

N. Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Place : Mumbai
Date : 28 May 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Particulars		(Rs. in lakhs)	
		Year ended 31 March 2021	Year ended 31 March 2020 (Restated) ^
(A)	Cash flow from operating activities		
	(Loss)/Profit before tax	(1,568)	3,007
	Adjustment for:		
	Fair value adjustments relating to		
	Financial assets at FVTPL	(7)	59
	Financial assets at amortised cost	(2)	(1)
	Interest expense on lease liability	11	11
	Depreciation and amortisation expense	1,110	1,068
	Bad debts written off	757	36
	Provision for doubtful debts	72	541
	Provision for doubtful deposit and advances	-	35
	Provision for unbilled revenue	-	52
	Exceptional items (Refer Note 62)	2,537	-
	Inventory written off	100	-
	Property, plant and equipment written off	79	-
	Assets written off	103	-
	Items considered separately:		
	Finance costs	630	850
	Loss on sale of property, plant & equipment	53	10
	Surplus on sale of investments	(116)	(2)
	Interest income	(60)	(98)
	Rental income	(96)	(110)
	Exchange gain on revaluation of foreign currency monetary item	(102)	(88)
	Operating profit before working capital changes	3,501	5,370
	Adjustments for changes in working capital		
	Inventories	(125)	(1,062)
	Trade receivables	35	(5,084)
	Loans and Other receivables	4,118	3,257
	Trade payables	131	(363)
	Liabilities and Provisions	65	299
	Cash generated from operating activities	7,725	2,417
	Income tax refund/ (paid)	173	(1,118)
	Net cash generated from operating activities	7,898	1,299
(B)	Cash flow from investing activities		
	Acquisition of property, plant and equipment (including capital work-in- progress and capital advances)	(910)	(2,200)
	Purchase of investments	(929)	(1,600)
	Proceeds from sale of property, plant and equipment	108	10
	Advance received against proposed sale of property	585	-
	Proceeds from sale of investments	369	1,602
	Interest received	61	98
	Rental received	92	105
	Investment in fixed deposits	(30)	(156)
	Net cash used in investing activities	(654)	(2,141)

(Rs. in lakhs)

Particulars		Year ended 31 March 2021		Year ended 31 March 2020 (Restated) ^	
(C)	Cash flow from financing activities				
	Finance cost paid	(646)		(859)	
	Finance cost paid on lease liabilities	(11)		(11)	
	Repayment lease liabilities	(10)		(13)	
	(Repayment)/ Proceeds of current borrowings	(5,391)		1,692	
	Dividend paid	-		(1,768)	
	Dividend distribution tax	-		(364)	
	Net cash used in financing activities		(6,058)		(1,323)
(D)	Net (decrease)/increase in cash and cash equivalents (A+B+C)		1,186		(2,165)
	Cash and cash equivalents at the beginning of the year		502		2,667
	Cash and cash equivalents at the end of the year [Refer Note 16]		1,688		502

Notes to the cash flow statement

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	7	5
Balances with banks in current accounts	1,681	497
Total	1,688	502

Summary of significant accounting policies and other explanatory information 1**The accompanying notes form an integral part of the standalone financial statements**

^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 60)
This is the standalone cash flow statement referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

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

Surya kant Sethia

**Chief Financial
Officer**

A. T. Malkani

Managing Director
DIN : 01585637

N.Malkani Nagpal

Executive Chairman
DIN : 00031985**Place :** Mumbai**Date :** 28 May 2021**Place :** Mumbai**Date :** 28 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

A) Equity share capital (Refer note 23)

Particulars	Number of shares	Amount (Rs. in lakhs)
Issued, subscribed and paid up:		
As at 1 April 2019	13,598,467	1,360
As at 31 March 2020	13,598,467	1,360
As at 31 March 2021	1,35,98,467	1,360

B) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earning (Refer Note a below)	
Balance as at 1 April 2019	14,147	223	10,610	24,980
Impact of restatement Ind AS 8 [Refer Note 60]	-	-	(1,733)	(1,733)
Restated Balance as at 1 April 2019	14,147	223	8,877	23,247
Restated Net Profit for the year	-	-	2,562	2,562
Other comprehensive loss for the year	-	-	(147)	(147)
Transfer from retained earnings to general reserve	239	-	(239)	-
Equity dividend including taxes thereon as above	-	-	(2,132)	(2,132)
Restated Balance as at 31 March 2020	14,386	223	8,921	23,530
Loss for the year	-	-	(1,199)	(1,199)
Net other comprehensive income for the year	-	-	52	52
Transfer from retained earnings to general reserve	283	-	(283)	-
Balance as at 31 March 2021	14,669	223	7,491	22,383

Nature and purpose of the reserves

(1) General reserve

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

(2) Capital redemption reserve

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

(3) Retained earnings

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

Note:**(a) Impact of restatement are as follows:****(Rs. in lakhs)**

Particulars	Retained earning before restatement	Adjustment due to restated accounts	Retained earning after restatement
As at 1 April 2019	10,610	(1,733)	8,877
As at 31 March 2020	10,919	(1,998)	8,921

Summary of significant accounting policies and other explanatory information 1**The accompanying notes form an integral part of the standalone financial statements**

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai**Date :** 28 May 2021

V.M. Bhide

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

Surya kant Sethia

**Chief Financial
Officer**

A. T. Malkani

Managing Director
DIN : 01585637

N.Malkani Nagpal

Executive Chairman
DIN : 00031985**Place :** Mumbai**Date :** 28 May 2021

Note 1 - Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

I. Corporate Information

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

The separate financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 28 May 2021.

II. Significant Accounting Policies followed by the Company

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

(a) Statement of compliance

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

(b) Basis of Preparation

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

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

Current and non-current classification

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

(c) Critical estimates and judgments

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

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

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

Useful lives of PPE , investment property and Intangible assets

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

Valuation of deferred tax assets / liabilities

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

Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 48.

Fair value measurements of financial instruments

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

Other areas involving critical estimates or judgments are :

- i) Revenue from Project Engineering Business projects - Refer note 1(II)(n)
- ii) Estimation of tax expenses and tax payable - Refer note 41
- iii) Probable outcomes of matters included under Contingent Liabilities - Refer note 43
- iv) Leases - Estimating the incremental borrowing rate - Refer note 1(II)(r)

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

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

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

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

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

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

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations. - Refer note 22

(f) Intangible Assets (including intangibles under development)

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

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

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

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

(g) Investment properties

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

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

(h) Investment in subsidiaries

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

Refer to note 7 for the list of investments.

(i) Impairment of non-financial assets

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

(fair value less disposal cost)

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

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

(j) Investments and financial assets

Classification

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

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

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

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

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

Measurement

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

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

Measurement of debt instruments

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

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

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

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

Impairment of financial assets

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

For trade receivables, the Company applies the simplified approach, permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

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

(k) Cash and cash equivalents

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

(l) Borrowings and other financial liabilities

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

(m) Inventories

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

(n) Revenue recognition

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

i) Sale of consumables

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

ii) Project engineering business

Project engineering contracts generally take 1 to 2 years for execution. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. For contracts with distinct performance obligations, Company allocate the contract's transaction price to each performance obligation using the best estimate of the standalone selling price (i.e. fair value based on market approach) of each distinct goods or service in the contract. Generally, most of the revenue in project engineering segments is recognized over time, because control of the asset is transferred as and when the asset is created or enhanced to customers. The Company monitors estimates of total contract revenue and costs on a regular basis throughout the contract period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

iii) Contract Assets

Contract assets represent revenue recognized in excess of revenue billed. These amounts are billed after milestones specified in the agreement are achieved. Contract assets are disclosed under Other Current Assets in the Balance sheet.

iv) Benefit on account of entitlement to Import duty

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.

(o) Other income

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

(p) Employee Benefits

Provident fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes", as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity fund: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gains / losses arising on the measurement of defined benefit obligation are credited / charged to other comprehensive income.

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

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

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

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

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

(q) Income taxes

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

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

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

(r) Leases

The Company has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor:

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

(s) Foreign currency transactions

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

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

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

(f) Provisions, contingent liabilities and contingent assets

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

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

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

(u) Earnings per share

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

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

(v) Provision for warranty

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Company. It is expected that this expenditure will be incurred over the contractual warranty period.

(w) Research & Development

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

(x) Standards issued but not effective

There is no standard that is issued but not yet effective on 31 March 2021.

Note 2 - Property, plant and equipment

Description	(Rs. in lakhs)															
	Freehold land	Leasehold land	Buildings [Refer note (a) as below]	Ownership premises	Plant and equip-ments (including computers)	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Research and development assets:			Total			
										Freehold land	Buildings	Plant and equipment (including computers)	Furniture and fixtures	Air conditioner		
Gross carrying value																
As at 1 April 2019	342	-	7,430	274	14,374	1,160	963	247	368	34	127	762	4	7	26,092	
Additions	-	-	313	-	1,353	74	52	21	87	-	-	13	-	-	1,913	
Adjustments [Refer note (d) below]	-	23	53	-	-	-	-	-	-	-	-	-	-	-	76	
Deductions	-	-	-	-	123	17	14	6	18	-	-	-	-	-	178	
As at 31 March 2020	342	23	7,796	274	15,604	1,217	1,001	262	437	34	127	775	4	7	27,903	
Additions	-	-	32	79	259	56	68	9	5	-	-	8	-	-	516	
Adjustments [Refer note (b) below]	-	(1)	(406)	-	-	-	-	-	-	-	-	-	-	-	(407)	
Deductions	-	-	4	-	1,360	22	28	20	59	-	-	6	-	-	1,499	
As at 31 March 2021	342	22	7,418	353	14,503	1,251	1,041	251	383	34	127	777	4	7	26,513	
Accumulated depreciation																
As at 1 April 2019	-	-	2,285	75	11,016	814	553	169	132	-	91	490	-	6	15,631	
Depreciation charge	-	-	246	5	496	57	64	21	48	-	1	27	-	1	966	
Adjustments [Refer note (d) below]	-	-	18	-	-	-	-	-	-	-	-	-	-	-	18	
Deductions	-	-	-	-	111	16	14	5	12	-	-	-	-	-	158	
As at 31 March 2020	-	-	2,549	80	11,401	855	603	185	168	-	92	517	-	7	16,457	
Depreciation charge	-	-	252	5	543	60	58	22	55	-	3	23	2	-	1,023	
Adjustments [Refer note (b) below]	-	-	(301)	-	-	-	-	-	-	-	-	-	-	-	(301)	
Deductions	-	-	3	-	1,227	21	26	18	43	-	-	3	-	2	1,343	
As at 31 March 2021	-	-	2,497	85	10,717	894	635	189	180	-	95	537	2	5	15,836	
Net carrying value																
As at 1 April 2019	342	-	5,145	199	3,358	346	410	78	236	34	36	272	4	1	10,461	
As at 31 March 2020	342	23	5,247	194	4,203	362	398	77	269	34	35	258	4	-	11,446	
As at 31 March 2021	342	22	4,921	268	3,786	357	406	62	203	34	32	240	2	2	10,677	

Notes:-

- (a) Includes:
 - (i) Rs. 0.01 lakh (31 March 2020; Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
 - (ii) Rs. 4.17 lakhs (31 March 2020; Rs. 4.17 lakhs) for tenements in an association of apartment owners.
- (b) During the Current year, the Company has entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 66,108 square meters, Gross carrying amount (Land Rs. 1 lakh and building Rs. 406 lakhs) and Accumulated depreciation on building of Rs. 301 lakhs has been classified from "Property, plant and equipment" to "Asset classified as held for sale". (Refer note 22)
- (c) Refer notes 56 for information on Property, plant and equipment pledged as security against borrowings of the Company.
- (d) During the previous financial year 2019-20, Leasehold land and building situated at Delhi (Narayana) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment".

Note 3 - Right-of-use asset

Description	(Rs. in lakhs)		
	Ownership premises [Refer Notes (c),(d),(e) as below and Note 45]	Computers [Refer Notes (c),(d),(e) as below and Note 45]	Total
Gross carrying value			
As at 1 April 2019	-	-	-
Additions	130	-	130
Deductions	-	-	-
As at 31 March 2020	130	-	130
Additions	-	11	11
Deductions	4	-	4
As at 31 March 2021	126	11	137
Accumulated amortisation			
As at 1 April 2019	-	-	-
Amortisation charge	20	-	20
Deductions	-	-	-
As at 31 March 2020	20	-	20
Amortisation charge*	16	0	16
Deductions	-	-	-
As at 31 March 2021	36	0	36
Net carrying value			
As at 1 April 2019	-	-	-
As at 31 March 2020	110	-	110
As at 31 March 2021	90	11	101

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:-

- (a) The Company had adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Company had applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). This had resulted in recognising a right-of-use asset of Rs. 130 lakhs and a corresponding lease liability of Rs. 129 lakhs.
- In the statement of profit and loss, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard does not have any significant impact on the loss for the year and earnings per share. The weighted average incremental borrowing rate of 9.50% had applied to lease liabilities recognised in the balance sheet at the date of initial application.
- (b) The Company's Right-of-use assets comprises of Ownership premises and computers whose net carrying amount as at 31 March 2021 is Rs. 101 lakhs (31 March 2020: Rs. 110 lakhs) after adjusting accumulated depreciation as at 31 March 2021 is Rs. 36 lakhs (31 March 2020: Rs. 20 lakhs).
- (c) During the current year 2020-21 in Right-of-use assets and lease liabilities, there is addition of Rs 11 lakhs towards laptops taken on rental basis and deduction of Rs 4 lakhs related to Chennai leased office which has been vacated during the year.
- (d) The Company incurred Rs. 10 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 31 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 31 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 55 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 11 lakhs for the year 31 March 2021 (31 March 2020: Rs. 11 lakhs). [Refer note 40 and 45]
- (e) Also refer note 45 for the impact of transition to Ind AS 116 - Leases and the related disclosures.

Note 4 - Capital work-in-progress

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Opening balance	28	102	75
Add : Addition during the year	325	16	84
Less : Capitalised during the year	(26)	(90)	(57)
Total	327	28	102

Note 5 - Investment property

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value (at deemed cost)					
As at 1 April 2019	49	44	939	82	1,114
Additions	-	-	-	-	-
Adjustments [Refer note (d) below]	-	(23)	(53)	-	(76)
Deductions	-	-	-	-	-
As at 31 March 2020	49	21	886	82	1,038
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2021	49	21	886	82	1,038
Accumulated depreciation					
As at 1 April 2019	-	-	198	29	227
Depreciation charge	-	-	18	1	19
Adjustments [Refer note (d) below]	-	-	(18)	-	(18)
As at 31 March 2020	-	-	198	30	228
Depreciation charge	-	-	19	2	21
Deductions	-	-	-	-	-
As at 31 March 2021	-	-	217	32	249
Net carrying value					
As at 1 April 2019	49	44	741	53	887
As at 31 March 2020	49	21	688	52	810
As at 31 March 2021	49	21	669	50	789

Notes:**(a) Fair Value of Investment properties* :**

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 1 April 2019	427	1,432	1,244	889	3,992
As at 31 March 2020	427	1,432	941	889	3,689
As at 31 March 2021	358	1,374	916	916	3,564

***Estimation of fair value**

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.

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

(b) Information regarding income and expenditure of Investment property :

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	96	110
Direct operating expenses (including repairs and maintenance) for properties generating rental income	22	10
Direct operating expenses (including repairs and maintenance) for properties that did not generate rental income	-	4
Profit arising from investment properties before depreciation	74	96
Less: Depreciation	(21)	(19)
Profit arising from investment properties	53	77

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

(d) During the previous financial year 2019-20, Leasehold land and building situated at Delhi (Narayana) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment".

Note 6 - Intangible assets

Description	(Rs. in lakhs)	
	Computer Software	Total
Gross carrying value		
As at 1 April 2019	652	652
Additions	28	28
Adjustments	2	2
Deductions	-	-
As at 31 March 2020	682	682
Additions	39	39
Deductions	12	12
As at 31 March 2021	709	709
Accumulated amortisation		
As at 1 April 2019	532	532
Amortisation charge	63	63
Deductions	-	-
As at 31 March 2020	595	595
Amortisation charge	50	50
Deductions	11	11
As at 31 March 2021	634	634
Net carrying value		
As at 1 April 2019	120	120
As at 31 March 2020	87	87
As at 31 March 2021	75	75

Note 7A - Investment in subsidiary (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investment in equity instruments			
Investment in unquoted equity shares valued at deemed cost, fully paid up			
Investment in subsidiary company in India :			
Ador Welding Academy Private Limited			
3,000,000 (31 March 2020: 3,000,000) equity shares of Rs.10 each	353	353	353
Less: Provision for diminution in the value of investments [Refer note (a) below, note 58 and note 62]	(140)	-	-
Total	213	353	353
Aggregate amount of unquoted investments before impairment	353	353	353
Aggregate amount of impairment in the value of investments	140	-	-

Note:-**(a) Investment in subsidiary company in India:-**

The Company has an investment of Rs. 353 lakhs (31 March 2020: Rs. 353 lakhs; 1 April 2019: Rs. 353 lakhs) in the equity share of its 100% subsidiary "Ador Welding Academy Private Limited", the Company has evaluated its investment for the purpose of determination of potential diminution value and based on evaluation and considering the underlying factors including downturn in business and decrease in related activities, has recognized a provision for diminution in the value of investment in Ador Welding Academy Private Limited as at 31 March 2021 amounting to Rs. 140 lakhs which have been shown as exceptional items in the Statement of Profit and Loss.

Note 7B - Investment (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investment in unquoted equity shares measured at fair value through profit or loss			
Plasma Laser Technologies Limited			
261,105 (31 March 2020: 261,105) Series A Preferred shares of NIS 1 each	-	-	927
Less: Provision for diminution in the value of investment [Refer Note (a) below]	-	-	(927)
Total	-	-	-
Aggregate amount of unquoted investments before impairment	-	-	927
Aggregate amount of impairment in the value of investments	-	-	927

Note:-**(a) Investment in Plasma Laser Technologies Limited (PLT):-**

During the Previous year 31 March 2020, the Company had written-off the investment of Rs. 927 lakhs (1 April 2019: Rs. 927 lakhs) in Plasma Laser Technologies Limited (PLT) against the provision created for diminution in the value of investment in PLT amounting to Rs. 927 lakhs.

Note 8 - Loans (Non-current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposit	159	189	164
Less : Provision for doubtful deposit	-	(20)	(12)
	159	169	152
Loan to employees	15	14	8
Total	174	183	160

Break-up:

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	174	183	160
Loans considered doubtful - Unsecured	-	20	12
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	(20)	(12)
Total	174	183	160

Note 9 - Other financial assets (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Fixed deposits held as lien by bank against bank guarantees	723	687	531
Total	723	687	531

Note 10 - Income tax (current-tax) assets (net) (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax (net of provision) [Refer Notes (a) and (b) below and Note 60]	1,192	1,082	1,258
Total	1,192	1,082	1,258

Notes:-

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax assets	4,223	3,077	4,082
Current income tax liabilities	3,031	1,995	2,824
Total	1,192	1,082	1,258

(b) Impact of restatement are as follows:

Particulars	(Rs. in lakhs)		
	Income tax (current-tax) asset (net) before restatement	Adjustment due to restated accounts	Income tax (current-tax) asset (net) after restatement
As at 1 April 2019	332	926	1,258
As at 31 March 2020	41	1,041	1,082

Note 11 - Deferred tax assets (net)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax assets on account of:			
Employee benefits	151	-	-
Provision for doubtful debts	673	-	-
Deferment of revenue	36	-	-
	860	-	-
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	773	-	-
Financial asset measured at FVTPL	1	-	-
	774	-	-
Net deferred tax assets	86	-	-

Note 12 - Other non-current assets

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances considered good [Refer Notes (a) below]	23	55	46
Capital advances considered doubtful [Refer Notes (a) below]	27	27	-
Less : Provision for Capital advances	(27)	(27)	-
	23	55	46
Balances with government authorities considered good	1,939	1,990	2,083
Balances with government authorities considered doubtful	831	-	-
Less : Provision for Balances with government authorities [Refer Notes (b) below]	(831)	-	-
	1,939	1,990	2,083
Prepaid expenses	15	27	20
Total	1,977	2,072	2,149

Break-up:

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Other assets considered good - Secured	-	-	-
Other assets considered good - Unsecured	1,977	2,072	2,149
Other assets considered doubtful - Unsecured	858	-	-
Other assets which have significant increase in credit risk	-	-	-
Other assets - credit impaired	(858)	(27)	-
Total	1,977	2,045	2,149

Notes:

(a) Capital advances include:

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Land at Silvassa	27	27	27
Less : Provision for capital advances	(27)	(27)	-
Furniture and fixtures	14	-	-
Building	-	37	-
Plant and equipment	9	18	19
Total	23	55	46

(b) The Company has created a provision towards doubtful recovery from the government authorities amounting to Rs. 831 lakhs (in which Rs. 819 lakhs have been shown as exceptional items in the Statement of Profit and Loss).

Note 13 - Inventories

(Valued at lower of cost or net realisable value)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials, components and packing material	2,044	3,190	2,185
Work-in-progress	1,063	902	600
Finished goods	2,454	1,552	1,817
Stock-in-trade	109	113	108
Stores, spares, parts, scrap etc.	249	267	268
Right to receive inventory	327	197	181
Total	6,246	6,221	5,159

Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories to net realisable value amounted to Rs. 100 lakhs (31 March 2020: Nil). These write down were recognised as an expense during the year and included in the 'Changes in inventories of finished goods, work-in-progress, and stock-in-trade' in the Statement of Profit and Loss.

Note 14 - Investments (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Financial assets classified and measured at fair value through profit or loss			
(A) Investment in mutual funds (Quoted)			
Birla Sunlife Balanced 95 fund - growth - direct plan (31 March 2021: Nil, 31 March 2020: 7,709.91 units, 1 April 2019: 7,709.91 units)	-	48	63
Birla Sunlife Balanced 95 fund - growth - regular plan (31 March 2021: Nil, 31 March 2020: 3,680.059 units, 1 April 2019: 3,680.059 units)	-	21	28
Birla Sunlife Liquid fund - growth - regular plan (31 March 2021: 253,098.63 units, 31 March 2020: Nil, 1 April 2019: Nil)	833	-	-
DSP Blackrock Balanced fund - direct plan - growth (31 March 2021: Nil, 31 March 2020: 12,209.416 units, 1 April 2019: 12,209.416 units)	-	17	20
DSP Blackrock Balanced fund - regular plan - growth (31 March 2021: Nil, 31 March 2020: 28,696.993 units, 1 April 2019: 28,696.993 units)	-	38	43
Franklin India Balanced fund - growth (31 March 2021: Nil, 31 March 2020: 5,430.881 units, 1 April 2019: 5,430.881 units)	-	5	7
HDFC Balanced Advantage fund - regular plan - growth (31 March 2021: 43,137.551 units, 31 March 2020: Nil, 1 April 2019: Nil)	102	-	-
HDFC Hybrid Equity Balanced fund - regular plan - growth (31 March 2021: Nil, 31 March 2020: 107,912.58, 1 April 2019: 107,912.58 units)	-	46	58
ICICI Prudential Balanced fund - growth (31 March 2021: Nil, 31 March 2020: 53,322.947 units, 1 April 2019: 53,322.947 units)	-	57	72
Investment in mutual funds	935	232	291
(B) Investment in bonds (Quoted)			
9.60% Tourism Finance Corporation Limited Bonds_2028 (31 March 2021: 2 units, 31 March 2020: 2 units, 1 April 2019: 2 units of Rs. 10 lakhs each)	20	20	20
9.65% Tourism Finance Corporation Limited Bonds_2033 (31 March 2021: 1 units, 31 March 2020: 1 units, 1 April 2019: 1 units of Rs. 10 lakhs each)	10	10	10
9.05% Oriental Bank of Commerce Bond (Perpetual) (31 March 2021: Nil, 31 March 2020: 2 units, 1 April 2019: 2 units of Rs. 10 lakhs each)	-	20	20
Investment in bonds	30	50	50
Total (A+B)	965	282	341
Aggregate amount of investments			
Quoted	960	283	283
Aggregate market value of investments			
Quoted	965	382	341

Note 15 - Trade receivables

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	12,355	13,758	8,708
Receivables from related parties (Refer Note 49)	34	17	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Less : Provision for doubtful trade receivables	(1,856)	(798)	(257)
Total	10,533	12,977	8,451

Break-up:

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured, considered good [Refer note (a) below]	297	250	589
Unsecured, considered good	10,236	12,727	7,862
Unsecured, considered doubtful	1,856	798	257
Less : Provision for doubtful trade receivables	(1,856)	(798)	(257)
Total	10,533	12,977	8,451
Includes amount due by Private Companies in which Director/ officer is a Director (Refer Note 49)	2	8	-

Notes:

- (a) Secured by letter of credit
 (b) Refer notes 52(A) for information on credit risk and details regarding past dues receivables and, movement in provisions of doubtful debts.

Note 16 - Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	7	5	5
Cheques on hand	-	-	2,061
Balances with banks in current accounts	1,681	497	601
Total	1,688	502	2,667

Note 17 - Other bank balances

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Earmarked balances with banks [Refer note (a) below]	112	132	127
Deposits with maturity of more than three months but less than twelve months	-	6	6
Total	112	138	133

Note:

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

Note 18 - Loans (Current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	79	110	117
Loan to related parties (Refer Note 49)*	0	1	4
Loans and advances to employees	30	37	29
Others	5	9	9
Total	114	157	159

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	114	157	159
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
Total	114	157	159

* Amounts below Rs 0.50 lakh have been rounded off.

Note 19 - Other financial assets (Current)**(Rs. in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unbilled revenue [Refer Note (a) below and Note 60]	130	4,301	6,131
Less: Provision for unbilled revenue	-	(52)	-
	130	4,249	6,131
Interest accrued but not due on fixed deposits	1	2	2
Measurement of derivative contract at marked to market	-	-	148
Other receivables			
(a) from related parties (Refer Note 49)	1	3	-
(b) from others	61	53	198
Total	193	4,307	6,479

Note:

(a) **Impact of restatement are as follows:**

(Rs. in lakhs)

Particulars	Unbilled revenue before restatement	Adjustment due to restated accounts	Unbilled revenue after restatement
As at 1 April 2019	7,840	(1,709)	6,131
As at 31 March 2020	6,139	(1,838)	4,301

Note 20 - Income tax assets (net) (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax [Refer note (a) below]	-	439	-
Total	-	439	-

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2017-18 and A.Y. 2018-19. Total amount of advance taxes paid for these assessment years is Rs. 2,062 lakhs and provision for taxes made is Rs. 1,623 lakhs.

Note 21 - Other current assets

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract assets	184	485	2,115
Advance to suppliers	612	1,217	418
Prepaid expenses	108	129	184
Duty entitlement on hand	-	4	14
Duty drawback and MEIS receivable	60	68	162
Input tax credit receivable	66	41	-
Other receivables	187	54	-
Total	1,217	1,998	2,893

Note 22 - Asset classified as held for sale

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Leasehold land (Refer note as below and note 2)	1	-	-
Buildings (Refer note as below and note 2)	105	-	-
Total	106	-	-

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

During the Current year, the Company has entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 66,108 square meters, as is where basis, for a consideration of Rs. 1,462 lakhs which has been duly approved by Board. The Company has received Rs. 585 lakhs as advance against the transactions. The transactions is likely to be completed by December 2021 hence same has been classified as 'Assets classified as held for sale'.

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

(Rs. in lakhs)

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

Note 23 - Equity share capital

(Rs. in lakhs)

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
Authorised shares 30,000,000 (31 March 2020: 30,000,000; 1 April 2019: 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 2020: 13,598,467; 1 April 2019: 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 23 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Equity shares						
Shares outstanding at the beginning of the year	13,598,467	1,360	13,598,467	1,360	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 23 b- Rights, preferences and restrictions

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

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

Note 23 c- Shares held by holding Company

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	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 & Company Private Limited	6,800,531	50.01%	6,800,531	50.01%	6,800,531	50.01%

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

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	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 & Company Private Limited	6,800,531	50.01%	6,800,531	50.01%	6,800,531	50.01%
Nippon Life India Trustee Ltd - A/C Nippon India Value Fund (Reliance Capital Trustee Company Limited)	8,64,065	6.35%	877,875	6.46%	878,890	6.46%
Total	76,64,596	56.36%	76,78,406	56.47%	76,79,421	56.47%

Note 23 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 2021.

Note 24 - Other financial liabilities (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Rent deposit	14	8	10
Rent deposit from related parties [Refer Note 49]	14	14	-
Deposit from trainees / employees	2	10	13
Lease liability [Refer note 45]	106	113	-
Total	136	145	23

Note 25 - Provisions (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Gratuity [Refer note 48 (II)]	359	387	172
Total	359	387	172

Note 26 - Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	-	824	1,013
Capital expenditure for scientific research	-	-	109
Financial asset measured at FVTPL*	-	0	6
	-	824	1,128
Deferred tax assets on account of:			
Employee benefits	-	157	130
Provision for doubtful debts	-	218	89
Deferment of revenue	-	26	26
	-	401	245
Net deferred tax liabilities	-	423	883

* Amounts below Rs 0.50 lakh have been rounded off.

Note 27 - Other non-current liabilities

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income	5	7	7
Total	5	7	7

Note 28 - Borrowings

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A. Secured Borrowings			
From banks			
Working capital loan repayable on demand [Refer note (a) and (b) below and also refer note 56]	2,800	4,300	6,150
B. Unsecured Borrowings			
From banks			
Working capital loan repayable on demand	-	800	-
Cash credit facility availed from bank	-	2,699	-
Other loans			
Liability on account of bills discounting	-	392	349
Total	2,800	8,191	6,499

Notes:

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

- (a) Working capital loan from a bank, balance outstanding amounting to Rs 2,800 lakhs (31 March 2020: Rs 4,000 lakhs; 1 April 2019: Rs 4,000 lakhs) is secured first pari passu charge by way of hypothecation of Company's entire stocks and book debts, both present and future, exclusive charge on the entire plant and machinery and other movable fixed assets of the Company and on the land and building of the Company located at survey no. 59/11/1, 59/11/2, 59/11/3, 59/12 and 59/13 situated at village Masat, Silvassa Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 7.20% p.a. (31 March 2020: 8.10% p.a.; 1 April 2019: 9.10% p.a.)
- (b) Working capital loan from another bank, balance outstanding amounting Nil (31 March 2020: Rs 300 lakhs; 1 April 2019: Rs 2,150 lakhs) are secured by way of first pari passu charge on current assets of the Company and, exclusive charge on Chennai plant (land and building and both present and future movable fixed assets including plant and machinery) situated at Survey Nos. 166/1A2 and 1661b, Patta No. 10, situated in the Kanchipuram District, chengalpattu Taluk, Melakottaiyur Village Chennai 600 048. Working capital loan repayable on demand, Rate of interest Nil (31 March 2020: 11.25% p.a.; 1 April 2019: 10.65% p.a.)

- (ii) Guarantees given by banks to third parties amounting to Rs. 2,202 lakhs (31 March 2020: Rs. 2,105 lakhs; 1 April 2019: Rs. 2,369 lakhs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 29 - Trade payables

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Dues to micro, small and medium enterprises [Refer Notes (a) below]	249	316	60
Others [Refer Notes (b) below and Note 60]	7,027	6,845	7,436
Amounts due to related parties [Refer Note 49]	118	122	139
Total	7,394	7,283	7,635

Notes:

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Principal amount due remaining unpaid to supplier as at the end of accounting year	249	316	60
Interest due remaining unpaid to supplier as at the end of accounting year	1	3	0*
Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	1	3	0*
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	3	0*
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-

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

(b) Impact of restatement are as follows:

(Rs. in lakhs)

Particulars	Trade payables before restatement	Adjustment due to restated accounts	Trade payables after restatement
As at 1 April 2019	6,686	949	7,635
As at 31 March 2020	6,081	1,202	7,283

* Amounts below Rs 0.50 lakh have been rounded off.

Note 30 - Other financial liabilities (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deposits:			
(a) Rent deposit	12	9	15
(b) From distributors	264	164	154
(c) From others	13	21	13
Employee benefits payable:			
(a) from related parties (Refer Note 49)	13	-	-
(b) from others	134	159	143
Unclaimed dividend	112	132	127
Creditors for capital goods	36	22	297
Lease liability [Refer note 45]	13	13	-
Provision for expenses [Refer note (a) below]	430	1,041	419
Measurement of derivative contract at marked to market	-	93	-
Others	63	80	97
Total	1,090	1,734	1,265

Note:

(a) Movement in provision for expenses are as follows :

Particulars	(Rs in lakhs)			
	As at 1 April 2020	Utilised / reversal during the year	Provision for the year	As at 31 March 2021
Expenditures towards Project Engineering Business	574	534	116	156
Variable incentive pay	50	50	100	100
Bonus and commission payable to directors	76	76	-	-
Electricity expenses	10	10	11	11
Freight expenses	106	106	71	71
Legal and professional fees	5	5	-	-
Other expenses	220	220	92	92
Total	1,041	1,001	390	430

Note 31 - Other current liabilities

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advances received from distributors on behalf of customers	22	12	12
Advances received from customers*	221	220	407
Statutory dues	656	120	331
Advance received against sale of asset	585	-	-
Advance income	4	4	3
Total	1,488	356	753

* Includes an amount of Rs. 33 lakhs (31 March 2020: Rs. 65 lakhs; 1 April 2019: Rs. 313 lakhs) on account of Project Engineering Business.

Note 32 - Provisions (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Gratuity [Refer note 48 (II)]	27	-	-
Provision for Compensated absences [Refer note 48 (III)]	213	227	199
Other provisions [Refer note (a) below]			
Provision for warranties [Refer Notes (b) below]	53	55	67
Provision for sales return	200	186	198
Total	493	468	464

Notes:**(a) Movement in provision:**

Particulars	(Rs. in lakhs)	
	Provision for warranties	Provision for sales return
As at 1 April 2019	67	198
Additional provision recognised	55	186
Amount used (charged against provisions) during the year	(67)	(198)
As at 31 March 2020	55	186
Additional provision recognised	53	200
Amount used (charged against provisions) during the year	(55)	(186)
As at 31 March 2021	53	200

- (b) Provision of Rs. 53 lakhs (31 March 2020: Rs. 55 lakhs; 1 April 2019: Rs. 67 lakhs) has been recognised for expected warranty claims on welding equipment and goods traded during the current financial year. It is expected that all these expenditures will be incurred in next financial year.

Note 33 - Revenue from operations

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
<u>Sale of goods</u> (Refer note (a) and (b) below)		
Domestic	42,956	48,746
Export	2,450	3,514
Sale of services	46	74
Derecognition of sales	(918)	-
<u>Other operating revenue:</u>		
Sale of scraps and others	194	222
Total	44,728	52,556

Notes:

- (a) Refer notes 59 for information on Revenue from contracts with customers under Ind AS 115 and, note 60 on Impact of restatement under Ind AS 8.
- (b) During the current year 2020-21, Company has derecognised revenue of Rs. 918 lakhs which was recognised in earlier financial years and was part of unbilled revenue in the balance sheet, as the Company was not able to invoice it as work was not done as per client specifications.

Note 34 - Other income

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial asset measured at amortised cost		
(i) Fixed deposits with banks	39	32
(ii) Overdue amount from customers	12	51
(iii) Others	9	15
Realised gain on financial assets measured at fair value through profit or loss	116	2
Rent received [Refer note 46]	96	110
Duty drawback and export incentive	62	139
Insurance recovered (net of expense)	41	53
Foreign currency fluctuation gain (net)	196	330
Provisions/ liabilities no longer required now written back	95	56
Fair value change of financial asset measured at fair value through profit or loss	7	-
Insurance claims received	3	20
Miscellaneous income	55	100
Total	731	908

Note 35 - Cost of raw materials and components consumed

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	3,190	2,185
Add: Purchases (Refer note 60)	31,474	37,224
Less: Closing stock	(2,044)	(3,190)
Total	32,620	36,219

Note 36 - Purchase of stock-in-trade

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Welding products	179	203
Welding accessories	328	325
Chemicals, minerals and others	440	125
Total	947	653

Note 37 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	At the beginning of the Year			
Finished goods (including Right to receive inventory)	1,749		1,998	
Stock-in-trade	113		108	
Work-in-progress	902	2,764	600	2,706
At the end of the Year				
Finished goods (including Right to receive inventory)	2,781		1,749	
Stock-in-trade	109		113	
Work-in-progress	1,063	3,953	902	2,764
Total		(1,189)		(58)

Note 38 - Employee benefits expenses

(Rs. in lakhs)

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Salaries, wages and bonus	3,195	3,473
Contribution to provident and other funds [Refer note 48(I)]	226	297
Contribution to gratuity [Refer note 48(II)]	81	47
Staff welfare expenses	254	424
Total	3,756	4,241

Note 39 - Finance costs

(Rs. in lakhs)

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Interest expense on borrowings	486	683
Bill discounting charges	1	37
Interest on supplies	132	115
Interest on lease liability [Refer note 45]	11	11
Interest on others	11	15
Total	641	861

Note 40 - Other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Manufacturing and other expenses [Refer note 40(a)]	2,674	2,949
Electricity expenses	15	26
Rent [Refer note 45]	10	31
Freight	687	825
Legal and professional fees	330	218
Insurance	44	50
Repairs and maintenance - others	172	129
Travelling, conveyance and vehicle expenses	283	702
Directors fees [Refer Note 49]	8	6
Telephone, postage and telegram	112	139
Rates and taxes	53	78
Advertisement and sales promotion expenses	33	145
Commission paid	46	-
Bad debts written off	757	36
Provision for doubtful debts	72	541
Provision for doubtful deposit and advances	-	35
Provision for unbilled revenue	-	52
Donations	-	1
Fair value change of financial asset measured at FVTPL	-	59
Loss on sale of property, plant and equipment (net)	53	10
Property, plant and equipment written off	79	-
Other assets written off	103	-
Printing and stationery	57	85
Auditors remuneration [Refer note 40(b)]	34	42
Corporate social responsibility [Refer Note 63 and Note 49]	49	65
Selling and distribution incentive	160	249
Bank charges	175	143
Miscellaneous expenses	599	857
Total	6,605	7,473

Note 40(a) - Manufacturing and other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores, spare parts and scraps	602	644
Power and fuel	1,021	1107
Repairs to machinery	101	93
Repairs to building	23	43
Payment to contract labours	517	578
Other manufacturing expenses	410	484
Total	2,674	2,949

Note 40(b) - Auditors' remuneration (excluding taxes)

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit fees (including limited review fees)	24	24
Tax audit fees	7	7
Certification and other matters	2	9
Reimbursement of out of pocket expenses	1	2
Total	34	42

Note 41 - Tax (credit) / expense

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax for the year (Refer note 60)	136	982
Additional/(Reversal) of provision for earlier years	22	(127)
	158	855
Deferred tax		
Change in deferred tax assets	(478)	(105)
Change in deferred tax liabilities	(49)	(305)
	(527)	(410)
Total	(369)	445

Notes :

(a) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or (loss) is as follows for 31 March 2021 and 31 March 2020:

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(Loss)/Profit before tax as per books	(1,568)	3,007
Applicable income tax rate	25.17%	25.17%
Estimated income tax expenses	(395)	757
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income:		
Actuarial gains on defined benefit obligations	(18)	50
Depreciation	(63)	(220)
Assets and deposits written off	38	24
Disallowance u/s 43B	21	(16)
Deduction u/s 35(2AB)	-	(109)
Permanent disallowances	13	17
Tax in respect of earlier years	22	(127)
Financial assets measured at fair value through profit or loss	(2)	9
Provision for doubtful recovery	(26)	7
Provision for Investment in subsidiary company	35	-
Capital gains on sale of Long term investments	4	-
Other items	2	53
Reported income tax (credit)/expenses	(369)	445

(b) Deferred tax related to the following:

(Rs. in lakhs)

Particulars	As at 31 March 2021	Recognised through profit and loss and OCI	As at 31 March 2020	Recognised through profit and loss and OCI	As as 1 April 2019
Deferred tax assets on account of:					
Employee benefits	151	(6)	157	27	130
Provision for doubtful debts	673	455	218	129	89
Deferment of revenue	36	10	26	-	26
Total deferred tax assets	860	459	401	156	245
Deferred tax liabilities on account of:					
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	773	(51)	824	(189)	1,013
Capital expenditure for scientific research	-	-	-	(109)	109
Financial asset measured at FVTPL*	1	1	0	(6)	6
Total deferred tax liabilities	774	(50)	824	(304)	1,128
Deferred tax assets/(liabilities) (net)	86	509	(423)	460	(883)

* Amounts below Rs 0.50 lakh have been rounded off.

Note 42 - Other comprehensive income

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Items that will not be reclassified to profit or loss		
Actuarial gains/(loss) on defined benefit obligations	70	(197)
Income tax effect on above	(18)	50
Total	52	(147)

Note 43 - Contingent Liabilities not provided for :**(Rs. in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2021: Rs 392 lakhs; 31 March 2020: Rs 392 lakhs; 1 April 2019: Rs 392 lakhs)	1,199	1,077	1,077
(b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2021: Rs 900 lakhs; 31 March 2020: Rs 91 lakhs; 1 April 2019: Rs. 91 lakhs)	922	2,385	2,385
(c) Disputed income tax as the matters are in appeal (advance paid 31 March 2021: Rs 13 lakhs; 31 March 2020: Rs. 13 lakhs; 1 April 2019: Rs. 13 lakhs)	63	63	63
(d) Custom Duty refund	46	46	46
(e) Bank guarantees	2,202	2,105	2,369
(f) On account of pending C-forms	-	524	620
(g) Other matters	111	121	113
(h) Provident fund Based on the Honorable Supreme Court judgment dated 28 February 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. Past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgment to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.	Amount not determinable	Amount not determinable	Amount not determinable

Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

Note 44 - Estimated amount of contracts remaining to be executed**(Rs. in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
On Capital account and not provided for (net of advances)	26	189	298

Note 45- Leases: Ind AS 116

Effective 1 April 2019, the Company had adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company recognized right-of-use assets and lease liabilities amounting to Rs. 101 lakhs (31 March 2020: Rs. 110 lakhs) and Rs. 119 lakhs (31 March 2020: Rs. 126 lakhs) respectively. During the year ended, the Company had recognized interest expense on lease amounting to Rs. 11 lakhs (31 March 2020: Rs. 11 lakhs) and depreciation on right-of-use assets amounting to Rs. 16 lakhs (31 March 2020: Rs. 20 lakhs).

Right-of-use assets:

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

Particulars	(Rs. in lakhs)		
	Gross carrying value	Accumulated depreciation [refer note (a) below]	Net carrying value
<u>As at 31 March 2021</u>			
Ownership premises	126	36	90
Computers	11	-	11
Total	137	36	101
<u>As at 31 March 2020</u>			
Ownership premises	130	20	110
Computers	-	-	-
Total	130	20	110

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	130	130
Addition during the year [refer note (b) below]	11	-
Deductions during the year [refer note (c) below]	(4)	-
Gross carrying value	137	130
Accumulated depreciation [refer note (a) below]	(36)	(20)
Net carrying value	101	110

Lease liabilities:

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Non-current lease liabilities [refer note 24]	106	113
Current lease liabilities [refer note 30]	13	13
Total	119	126

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

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Balance at the beginning of the year	126	129
Addition during the year [refer note (b) below]	11	-
Deductions during the year [refer note (c) below]	(4)	-
Finance cost accrued during the year [refer note (d) below]	11	11
Revaluation of lease liability	(4)	10
Payment of lease liabilities	(21)	(24)
Total	119	126

Notes:

- The aggregate depreciation expense on Right-of-use assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- During the current year 2020-21 in Right-of-use assets and lease liabilities, there is addition of Rs 11 lakhs towards laptops taken on rental basis.
- During the current year 2020-21 in Right-of-use assets and lease liabilities, there is deduction of Rs 4 lakhs belongs to Chennai leased office which has been vacated during the year.
- The accrued finance cost on lease liabilities is included under "Finance cost" in the statement of Profit and Loss.

Lease payments not recognised as a liability

The Company has opted not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). The Company has taken short term leases with a lease term of 12 months or less and the aggregate amount of operating lease rent debited to statement of profit and loss during the year is Rs. 10 lakhs (31 March 2020: Rs 31 lakhs). [Refer note 40]

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

(Rs. in lakhs)

Particulars	Minimum lease payment		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Amount due within one year	21	25	61
Amount due from one year to five years	88	68	74
Amount due from five years and above	67	102	83
Total	176	195	218

Note 46- Lease rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is Rs. 96 lakhs (31 March 2020: Rs. 110 lakhs). [Refer note 34]

Particulars	(Rs. in lakhs)		
	Minimum lease payment		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Amount due within one year	124	101	33
Amount due from one year to five years	254	226	115
Amount due from five years and above	37	100	-
Total	415	427	148

Note 47- Management has made an assessment of the impact of COVID 19, in preparation of these financial statements. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of assets of the Company, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial results are required. As the lock down is lifted in India, the business activities are slowly coming back to normalcy and the new projects have also gradually started. This has resulted in slowly picking up the demand for Welding products. The performance in 3rd and 4th quarter has been significantly better than 2nd and 1st quarter of the current financial year. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with it, however no significant impact is envisaged on the operations, as of now bearing unforeseen circumstances.

Note 48 - Employee benefits

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

Brief description of the plans:

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

I. Defined Contribution Plan:

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

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

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Employer's Contribution to Superannuation	36	40
Employer's contribution to provident fund	179	244
Employer's Contribution to Employees state insurance fund	11	13
Total	226	297

* included in Note 38- 'Employee benefits expenses'

II. Defined Benefit Plan :**Contribution to Gratuity fund (funded scheme):**

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

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) Actuarial assumptions			
Discount rate (per annum)	6.35%	6.30%	7.20%
Salary escalation rate (per annum)	7.00%	7.00%	7.50%
Attrition rate			
21 years to 44 years (per annum)	18.22%	18.22%	18.22%
45 years and above (per annum)	8.00%	8.00%	8.00%
The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as, supply and demand factors in the employment market.			
(ii) Assets information:			
The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations.			
(iii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	466	361	327
Current service cost	59	36	35
Interest on defined benefit obligation	27	21	22
Remeasurements during the period due to:			
Actuarial loss/(gain) arising from change in financial assumptions	(1)	11	(3)
Actuarial loss/(gain) arising on account of experience changes	(42)	186	(3)
Benefits paid	(52)	(149)	(17)
Present Value of obligation at the end of the year	457	466	361
(iv) Changes in the Fair value of Plan Assets			
Fair value of plan assets at beginning of the year	80	189	182
Interest on plan assets	4	10	13
Remeasurements during the period due to:			
Actual return on plan assets less interest on plan assets	27	(1)	0*
Contributions by employer	12	30	10
Benefits paid	(52)	(149)	(16)
Fair Value of Plan Assets at the end of the year	71	79	189

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(v) Assets and liabilities recognised in the balance sheet			
Present value of the defined benefit obligation at the end of the year	457	466	361
Less: Fair value of plan assets at the end of the year	(71)	(79)	(189)
Net liability recognised	386	387	172
Recognised under provisions [Refer Note 25 and Note 32]			
Non current provisions	359	387	172
Current provisions	27	-	-

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	59	36
Interest on net defined benefit liability	22	11
Net gratuity cost recognised in current year	81	47
Included in note 38 'Employee benefits expenses'		
(vii) Expenses recognised in other comprehensive income		
Remeasurements during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(1)	11
Actuarial loss/(gain) arising on account of experience changes	(42)	186
Actuarial loss/(gain) arising on account of Actual return on plan assets less interest on plan assets	(27)	0*
Net cost recognised in other comprehensive income	(70)	197

* Amounts below Rs 0.50 lakh have been rounded off.

(viii) Sensitivity Analysis:

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

Particulars	31 March 2021		31 March 2020	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	(2.94%)	3.07%	(2.84%)	2.96%
Impact of decrease in 50 bps on DBO	3.10%	(2.93%)	2.96%	(2.83%)

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

(ix) Maturity Pattern:

Maturity Profile	(Rs. in lakhs)	
	31 March 2021	31 March 2020
Expected benefits for year 1	98	69
Expected benefits for year 2	68	67
Expected benefits for year 3	52	64
Expected benefits for year 4	49	51
Expected benefits for year 5	38	49
Expected benefits for year 6	36	72
Expected benefits for year 7	34	31
Expected benefits for year 8	50	30
Expected benefits for year 9	28	46
Expected benefits for year 10 and above	245	238

Note:

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

III. Compensated absences

- An amount of Rs. 15 lakhs (31 March 2020: Rs 128 lakhs) has been recognised as an expense in the statement of profit and loss account and included in "Salaries, wages and bonus" under Note 38 "Employee benefits expenses".
- Balance sheet reconciliation

Particulars	(Rs. in lakhs)		
	Short term current provisions		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Liability as per actuarial valuation	213	227	199

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

Defined Benefit obligations and employer contributions (Active members)	Gratuity	Compensated Absences
As at 31 March 2021	518	518
As at 31 March 2020	558	558
As at 1 April 2019	546	546

* deferred members - Nil (2019-20 : Nil, 2018-19 : Nil)

* retired members - Nil (2019-20 : Nil, 2018-19 : Nil)

(These numbers are as per actuarial valuation report).

Risk Exposure - Asset Volatility

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Note 49 - Related Party Disclosure:

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

(I) List of related parties and relationship:

Relationship	Name of the Persons / Company
(i) Holding Company:	J. B. Advani & Company Private Limited
(ii) Subsidiary Company and fellow subsidiaries:	Ador Welding Academy Private Limited (Subsidiary of Ador Welding Limited) Ador Powertron Limited (Subsidiary of J. B. Advani & Company Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Fontech Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Multiproducts Limited (Subsidiary of J.B. Advani & Company Private Limited)
(iii) Other related party:	1908 E-Ventures Private Limited (Step down subsidiary of J. B. Advani & Company Private Limited) Executive Mantra Search Services Private Limited (Common director)
(iv) Key management personnel:	Ms. A. B. Advani- Ex- Executive Chairman (upto 18 November 2019) Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f 19 November 2019) Mr. A. T. Malkani - Managing Director (Executive) (w.e.f 14 September 2020) Mr. S. M. Bhat - Ex- Managing Director (upto 7 September 2020) Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive) Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020) Mr. P. K. Gupta - Director (Independent & Non-executive) Mr. R. N. Sapru - Director (Independent & Non-executive) Mr. K. Digvijay Singh - Director (Independent & Non-executive) Mr. G. M. Lalwani - Director (Independent & Non-executive) Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary Mr. G. A. Patkar - Ex- Chief Financial Officer (upto 9 September 2020) Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021)

(II) Transactions during the year:

Description of the nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Sale of goods		
- Holding Company		
J. B. Advani & Company Private Limited	37	6
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited	1	10
Ador Powertron Limited*	19	0
Ador Fontech Limited	154	171
	211	187
Purchase of goods and services received		
- Holding Company		
J. B. Advani & Company Private Limited	641	630
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited	-	2
Ador Powertron Limited	7	-
Ador Fontech Limited	45	6
- Other related party		
1908 E-Ventures Private Limited*	1	0
Executive Mantra Search Services Private Limited	6	-
	700	638
Rent received		
- Holding Company		
J. B. Advani & Company Private Limited	24	27
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited	4	7
Ador Fontech Limited	1	1
	29	35
Recovery of expenses (received)		
- Holding Company		
J. B. Advani & Company Private Limited	8	9
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited*	0	-
Ador Powertron Limited*	0	1
Ador Fontech Limited*	1	0
	9	10
Reimbursement of expenses (paid)		
- Holding Company		
J. B. Advani & Company Private Limited	6	7
	6	7
Corporate social responsibility funds		
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited*	10	10
	10	10
Remuneration paid		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer Notes (5) below)	-	178

Description of the nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Ms. N. M. Nagpal (Executive Chairman)	116	121
Mr. S. M. Bhat (Ex- Managing Director) (Refer Notes (1) below)	47	149
Mr. A. T. Malkani (Managing Director) (Refer Notes (2) below)	61	-
Mr. D. A. Lalvani (Whole Time Director)	127	46
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	38	36
Mr. G. A. Patkar (Ex- Chief Financial Officer) (Refer Notes (3) below)	13	32
Mr. Surya kant Sethia (Chief Financial Officer) (Refer Notes (4) below)	4	-
	406	562
Recovery of Commission for previous years		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer Notes (5) below)	3	-
Ms. N. M. Nagpal (Executive Chairman)	4	-
Mr. D. A. Lalvani (Whole Time Director)*	0	-
	7	-
Professional fees and reimbursement		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer Notes (5) below)	72	26
	72	26
Sitting fees		
- Key Management Personnel		
Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)	1	-
Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020)	1	1
Mr. P. K. Gupta - Director (Independent & Non-executive)	2	1
Mr. R. N. Sapru - Director (Independent & Non-executive)	1	2
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	2	1
Mr. G. M. Lalwani - Director (Independent & Non-executive)	1	1
	8	6
Commission		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer Notes (5) below)	-	3
Ms. N. M. Nagpal (Executive Chairman)	-	5
Mr. S. M. Bhat (Ex- Managing Director) (Refer Notes (1) below)	-	8
Mr. D. A. Lalvani (Whole Time Director)	-	5
Mr. R. A. Mirchandani - Director (Non-executive)	-	5
Mr. A. T. Malkani (Managing Director) (Refer Notes (2) below)	-	5
Ms. T. H. Advani - Director (Non-executive)	-	2
Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020)	-	5
Mr. P. K. Gupta - Director (Independent & Non-executive)	-	5
Mr. R. N. Sapru - Director (Independent & Non-executive)	-	5
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	-	5
Mr. G. M. Lalwani - Director (Independent & Non-executive)	-	5
Mr. S. G. Mirchandani - Director (Independent & Non-executive) (upto 7 February 2020)	-	4
	-	62

(III) Amount outstanding at the year end:

(Rs. in lakhs)

Description of the nature of transactions	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables			
- Holding Company			
J. B. Advani & Company Private Limited	2	7	-
- Subsidiary Company and fellow subsidiaries			
Ador Welding Academy Private Limited:	-	0	-
Ador Powertron Limited	22	-	-
Ador Fontech Limited	10	10	-
	34	17	-
Rent deposit			
- Holding Company			
J. B. Advani & Company Private Limited	14	14	-
	14	14	-
Other receivables			
- Holding Company			
J. B. Advani & Company Private Limited	-	1	-
- Subsidiary Company and fellow subsidiaries			
Ador Welding Academy Private Limited*	0	1	0
Ador Powertron Limited*	0	1	-
Ador Fontech Limited	0	0	0
- Key Management Personnel			
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	1	-	-
	1	3	0
Loans			
- Subsidiary Company and fellow subsidiaries			
Ador Powertron Limited*	0	-	-
Ador Fontech Limited*	-	0	-
- Key Management Personnel			
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	-	1	4
	0	1	4
Trade payables			
- Holding Company			
J. B. Advani & Company Private Limited	113	121	138
- Subsidiary Company and fellow subsidiaries			
Ador Welding Academy Private Limited	-	1	-
Ador Powertron Limited*	2	-	0
Ador Fontech Limited	3	-	1
- Other related party			
1908 E-Ventures Private Limited*	0	0	-
	118	122	139
Employee benefits payable			
- Key Management Personnel			
Mr. A. T. Malkani (Managing Director) (Refer Notes (2) below)	11	-	-
Mr. D. A. Lalvani (Whole Time Director)	2	-	-
	13	-	-

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

1. Mr. S. M. Bhat (DIN:05168265) had resigned from the office of / position of the Managing Director/ Employee/ Director of the Company with effect from 7 September 2020. The Board of Directors accepted his resignation with immediate effect and relieved him from his duties as the Managing Director.
2. Mr. Aditya T. Malkani (DIN:01585637) has been appointed as the Managing Director of the Company with effect from 14 September 2020 for a period of three (3) years by the Board of Directors of the Company.
3. Mr. Girish Anant Patkar had resigned from the office of / position of the Chief Financial Officer & Key Managerial Personnel of the Company with effect from 9 September 2020.
4. Mr. Surya kant Sethia who had been given Interim charge of CFO, post resignation of Mr. Girish Anant Patkar, was appointed as Chief Financial Officer & Key Managerial Personnel of the Company with effect from 8 February 2021.
5. Ms. Aruna B. Advani, (DIN 00029256) Executive Chairman, superannuated from the Board of the Company on 18th November, 2019, on attaining the age of 65. Pursuant to the succession planning at the Company, the Board, on recommendation of the Nomination and Remuneration Committee, re-designated Mrs. Ninotchka Malkani Nagpal (DIN: 00031985), Whole-Time Director, as the Executive Chairman w.e.f. 19 November 2019, considering her expertise in the area of Financial Management, her business foresight and her rich, long-term association with the Company for over 20 years.
6. Excludes gratuity and compensated absences provided on the basis of actuarial valuation on an overall company basis.
7. All the above transactions with related parties are net of Goods and Service Tax.

Note 50 - Segment reporting

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

- (i) Consumables
- (ii) Equipment and automation
- (iii) Projects

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the products/ process
- (iii) The organisation structure as well as differential risks and returns of these segments.

Types of products and services in each business segment:

Business Segment	Types of products and services
a) Consumables	Electrodes, wires, agency items related to consumables from Silvassa, Raipur and Chennai plant.
b) Equipment and automation	Equipment, spares, cutting products and agency items related to equipment, cutting products etc. from Chinchwad plant.
c) Project	Project Engineering Business (PEB) Division is a multi-disciplined SBU that provides services like design, manufacture, erection & commissioning, mechanical, electrical and instrumentation of process packages, process equipment, flare system & components, and EPC contracts from Chinchwad plant.

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

A) Business segment

(Rs. in lakhs)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment revenue						
Consumables	35,233	(13)	35,220	40,502	(111)	40,391
Equipment and automation	7,085	(36)	7,049	7,505	(151)	7,354
Projects	2,473	(14)	2,459	4,814	(3)	4,811
Total revenue	44,791	(63)	44,728	52,821	(265)	52,556
2. Segment result						
(a) Segment result before exceptional items						
Consumables			4,268			6,444
Equipment and automation			551			333
Projects			(2,496)			(2,089)
Unallocable			(1,019)			(1,271)
			1,304			3,417
(b) Exceptional items (net) (loss)						
Consumables			(236)			-
Equipment and automation			(575)			-
Projects			(1,549)			-
Unallocable			(177)			-
			(2,537)			-
(c) Segment result after exceptional items						
Consumables			4,032			6,444
Equipment and automation			(24)			333
Projects			(4,045)			(2,089)
Unallocable			(1,196)			(1,271)
Total Segment result			(1,233)			3,417
Interest and finance charges (unallocable)			(335)			(410)
(Loss)/Profit before tax			(1,568)			3,007
Tax (credit)/expenses			369			(445)
Net (loss)/profit after tax			(1,199)			2,562

(Rs. in lakhs)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
3. Capital expenditure						
Consumables			353			1,494
Equipment and automation			123			211
Projects			27			138
Unallocated			52			98
Total capital expenditure			555			1,941
4. Depreciation and amortisation						
Consumables			660			599
Equipment and automation			297			321
Projects			55			51
Unallocated			98			97
Total depreciation and amortisation			1,110			1,068

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Other information			
Segment assets			
Consumables	20,135	22,115	19,750
Equipment and automation	7,456	8,106	8,116
Projects	4,996	9,697	10,920
Assets classified as held for sale (unallocable)	106	-	-
Unallocated	4,815	3,966	3,522
Total assets	37,508	43,884	42,308
Segment liabilities			
Consumables	5,712	5,034	4,330
Equipment and automation	1,916	1,779	2,013
Projects	4,152	4,759	7,686
Unallocated	1,985	7,422	3,672
Total liabilities	13,765	18,994	17,701
Capital employed			
Consumables	14,423	17,081	15,420
Equipment and automation	5,540	6,327	6,103
Projects	844	4,938	3,234
Unallocated	2,936	(3,456)	(150)
Total capital employed	23,743	24,890	24,607

B) Geographical segment**Revenue from external customers:****(Rs. in lakhs)**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Within India	43,196	49,015
Outside India	1,532	3,541
Total	44,728	52,556

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

Overseas Segment includes sales and services rendered to customers located outside in India.

Non-current assets:

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Within India	13,840	14,440	13,696
Outside India	106	118	28
Total	13,946	14,558	13,724

C) Other disclosures

- The Company is currently focused on three business segments : Consumables, Equipment and Automation, and Projects. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- The geographical information considered for disclosure are :
 - Sales within India
 - Sales outside India
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Note 51 - Fair value measurements

Financial assets and liabilities

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

Particulars	31 March 2021		31 March 2020		1 April 2019	
	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						
Loans	-	174	-	183	-	160
Other non-current financial assets	-	723	-	687	-	531
Financial Assets - Current						
Investments	965	-	282	-	341	-
Trade receivables	-	10,533	-	12,977	-	8,451
Cash and cash equivalents	-	1,688	-	502	-	2,667
Other bank balances	-	112	-	138	-	133
Loans	-	114	-	157	-	159
Other current financial assets	-	193	-	4,307	-	6,479
Financial Liabilities - Non-current						
Other non-current financial liabilities	-	136	-	145	-	23
Financial Liabilities - Current						
Borrowings	-	2,800	-	8,191	-	6,499
Trade payables	-	7,394	-	7,283	-	7,635
Other financial liabilities	-	1,090	-	1,734	-	1,265

All the above amounts are net of provisions for impairments.

I. Fair value hierarchy

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

(a) recognised and measured at fair value and,

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

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

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

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

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

(Rs. in lakhs)			
Particulars	Investment in Mutual funds	Investment in Bonds	Total
As at 31 March 2021			
Level 1	935	-	935
Level 2	-	30	30
<u>As at 31 March 2020</u>			
Level 1	232	-	232
Level 2	-	50	50
<u>As at 1 April 2019</u>			
Level 1	291	-	291
Level 2	-	50	50

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

Particulars	(Rs. in lakhs)					
	31 March 2021		31 March 2020		1 April 2019	
	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial assets - Non-current						
Loans	174	174	183	183	160	160
Other financial assets	723	723	687	687	531	531
Financial liabilities - Non-current						
Other financial liabilities	136	136	145	145	23	23

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

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

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

Note 52- Financial risk management

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

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

A) Credit risk

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

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

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

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

The table below provides details regarding past dues receivables as at each reporting date:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Upto 1 month	6,936	8,029
1-2 months	1,122	1,923
2-3 months	721	781
3-6 months	565	1,241
6-12 months	592	727
More than one year	597	276
Total	10,533	12,977
Provision for bad and doubtful debts	1,856	798

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts:

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening provision	798	257
Add: Additional provision made	1,611	541
Less: Utilised during the year	(553)	-
Closing provisions	1,856	798

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 2021					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	15	30	139	184
Financial Liabilities - Current					
Borrowings	2,800	-	-	-	2,800
Trade payables	7,394	-	-	-	7,394
Other current financial liabilities	1,090	-	-	-	1,090
Total	11,284	15	30	139	11,468

As at 31 March 2020					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	30	67	106	203
Financial Liabilities - Current					
Borrowings	8,191	-	-	-	8,191
Trade payables	7,283	-	-	-	7,283
Other current financial liabilities	1,734	-	-	-	1,734
Total	17,208	30	67	106	17,411

As at 1 April 2019					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	10	15	8	33
Financial Liabilities - Current					
Borrowings	6,499	-	-	-	6,499
Trade payables	6,685	-	-	-	6,685
Other current financial liabilities	1,265	-	-	-	1,265
Total	14,449	10	15	8	14,482

C) Market risk

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

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

(i) Foreign currency risk

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

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

The Company's exposure to unhedged foreign currency risk at the end of reporting period are as under:

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

(Rs. in lakhs)

Particulars	As at 31 March 2020				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	584	-	178	-	762
Unbilled revenue	-	-	3,787	-	3,787
Bank balances	84	25	-	-	109
Derivative contracts					
Foreign exchange forward contracts*	(2,201)	-	-	-	(2,201)
Net exposure to foreign currency risk (assets)	(1,533)	25	3,965	-	2,457
Financial liabilities					
Trade payables	266	-	1,321	4	1,591
Lease liabilities	-	109	-	-	109
Net exposure to foreign currency risk (liabilities)	266	109	1,321	4	1,700

(Rs. in lakhs)

Particulars	As at 1 April 2019				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	1,288	-	-	-	1,288
Unbilled revenue	-	-	6,131	-	6,131
Bank balances	44	29	-	-	73
Derivative contracts					
Foreign exchange forward contracts*	(3,074)	-	-	-	(3,074)
Net exposure to foreign currency risk (assets)	(1,742)	29	6,131	-	4,418
Financial liabilities					
Trade payables	520	-	1,995	55	2,570
Net exposure to foreign currency risk (liabilities)	520	-	1,995	55	2,570

* The Forward contracts are hedged in terms of USD Dollar against underlyings which include both USD and Kuwaiti Dinar.

Sensitivity Analysis

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

(Rs. in lakhs)

Currencies	31 March 2021		31 March 2020		1 April 2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	20	(20)	(90)	90	(113)	113
AED	(4)	4	(4)	4	1	(1)
KWD	(0)	0	132	(132)	207	(207)
EUR	(0)	0	(0)	0	(3)	3

(ii) Price Risk

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

To manage its price risk arising from the investment, the Company has invested in the mutual funds and bonds after considering the risk and return profile of the said investments i.e. the debt profile of the investments indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

Sensitivity Analysis

Particulars	(Rs. in lakhs)		
	31 March 2021	31 March 2020	1 April 2019
Impact on profit before tax for 5% increase in NAV/ Price	48	14	17
Impact on profit before tax for 5% decrease in NAV/ Price	(48)	(14)	(17)

Note 53 - Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

A. The capital composition is as follows:

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Net debt (A)	1,247	7,847	3,873
Equity (B)	23,743	24,890	24,607
Gearing ratio (A / B)	0.05	0.32	0.16

B. Dividends

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a) Final dividend			
Final dividend - Nil for each fully paid up share for 31 March 2020 (31 March 2019- Rs. 6.50/- per share for each fully paid share)	-	884	680
Dividend distribution tax on final dividend	-	182	140

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(b) Dividends not recognised at the end of the reporting year			
In addition to the above dividend, since year end the directors have not recommended the payment of a final dividend - Nil (31 March 2020 - Nil; 31 March 2019 - Rs. 6.50/-) per fully paid equity share.	-	-	884
Dividend distribution tax on proposed dividend	-	-	182
(c) Interim dividends recognised at the end of the reporting year			
In addition to the above dividend, In previous year 31 March 2020 the directors had declared the payment of an interim dividend of Rs. 6.50/- per fully paid equity share. This interim dividend is declared after approval of directors present in the past board meeting held on 14 February 2020.	-	884	-
Dividend distribution tax on interim dividend	-	182	-

Note 54 - Earnings per share

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Net (loss)/ Profit after tax for the year (Rs. in lakhs)	(1,199)	2,562
(Loss)/ Profit attributable to equity share holders (Rs. in lakhs)	(1,199)	2,562
Weighted Average Number of equity shares outstanding during the year	13,598,467	13,598,467
Basic and Diluted Earnings Per Share (Rs.)	(8.82)	18.84
Face Value per Share (Rs.)	10.00	10.00

Note 55 - Details of dividend remitted to non-resident shareholders in foreign currency:

Particulars	(Rs. in lakhs)		
	Year ended 31 March 2021	Year ended 31 March 2020	
Financial year ended for which dividend is remitted	2020-21	2019-20	2018-19
Dividend Type	-	Interim dividend	Final dividend
Number of non-resident shareholders	-	59	61
Number of equity shares held	-	7,941	8,341
Amount of dividend remitted (Rs. in lakhs)	-	0.52	0.54

Note 56 - Assets Pledged as security:

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

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<u>Current Assets</u>			
Financial Assets			
Investments	965	282	341
Trade Receivables	10,533	12,977	8,451
Cash and cash equivalents	1,688	502	2,667
Other bank balances	112	138	133
Loans	114	157	159
Other financial assets	193	4,307	6,479
Non Financial Assets			
Inventories	6,246	6,221	5,159
Current tax assets, net	-	439	-
Other current assets	1,217	1,998	2,893
Total Current Assets Pledged as security	21,068	27,021	26,282
<u>Non Current Assets</u>			
Plant and Machinery	4,026	4,461	3,630
Land and building at Silvassa plant	1,770	1,836	1,877
Land and building at Chennai plant	393	413	433
Other moveable fixed assets	1,032	1,110	1,075
Total Non-Current Assets Pledged as security	7,221	7,820	7,015
Total assets Pledged as security	28,289	34,841	33,297

Note 57 - Revenue expenditure incurred during the year on research and development amounts to Rs. 290 lakhs (31 March 2020: Rs. 308 lakhs) (including depreciation Rs. 28 lakhs (31 March 2020: Rs. 29 lakhs) and capital expenditure thereof amounts to Rs. 8 lakhs (31 March 2020: Rs. 13 lakhs).

Note 58- Investments in subsidiaries

Sr. No	Subsidiary / associate / joint venture	Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2021	Proportion of ownership interest 31 March 2020	Method of accounting
1	Subsidiary	Ador Welding Academy Private Limited	India	100%	100%	Cost less impairment

Note 59- Revenue from contracts with customers: Ind AS 115

The Company is engaged in providing welding Products Technologies and Services, customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregated revenue information

The Company has three reportable segments of its business :

- (i) Consumables
- (ii) Equipment and automation
- (iii) Projects

The Company's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2021 and 31 March 2020 are as follows:

		(Rs. in lakhs)	
Sr. No	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
1	<u>Goods transferred at a point in time</u>		
	(i) Consumables	35,219	40,391
	(ii) Equipment and automation	7,050	7,354
2	<u>Goods transferred over time</u>		
	(iii) Projects	2,459	4,811
Total		44,728	52,556

b) (i) Contract balances information

				(Rs. in lakhs)
Particulars	Trade receivables	Contract Assets (Refer note (ii) below)	Contract Liabilities (Refer note (ii) below)	
Balance as at 1 April 2019	8,451	8,246	573	
Net Increase / (decrease)	4,526	(3,512)	(177)	
Balance as at 31 March 2020	12,977	4,734	396	
Net Increase / (decrease)	(2,444)	(4,420)	111	
Balance as at 31 March 2021	10,533	314	507	

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

1. The significant changes in contract Assets includes contracts are billed during the year for an amount of Rs. 3,787 lakhs (31 March 2020: Rs. 4,444 lakhs) and unbilled revenue written off during the year for an amount of Rs. 1,320 lakhs.
2. The significant changes in contract liabilities includes customer and distributors advance during the year increased by Rs. 111 lakhs (31 March 2020 decreased by Rs. 177 lakhs).

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2021 and 31 March 2020 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per contracted price	44,928	52,742
<u>Adjustments:</u>		
Extended warranties	-	-
Significant financing component	-	-
Sales return	(200)	(186)
Discount	-	-
Revenue from contract with customers	44,728	52,556

c) Performance obligations

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as on 31 March 2021 and 31 March 2020 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Revenue expected to be recognised	2,656	3,284

Note 60- Impact of restatement: Ind AS 8

During the current year, the Company was made aware of certain liquidated damages and project cost overrun with respect to the delay in the execution of an overseas Engineering Procurement and Constructions (EPC) project. The management believes that the impact of this should be restated in the respective lines on the financial statements of the previous periods. The restatement is on account of omissions of the past, which have now been taken into consideration in the relevant accounting periods to which they relate to. Accordingly, the impact on Earnings Per Share (EPS) has been considered.

Pursuant to the impact of aforesaid changes, the Company has restated the financial statements for the comparative periods, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. The Retained Earnings (other equity) as at 1 April 2019, within the Statement of Changes in Equity, have also been restated to adjust the impact of such adjustments which relate to the prior periods. The impact of aforesaid restatements has been summarized as follows:

Impact on Statement of Profit and Loss:

(Rs. in lakhs)

Particulars	Year ended 31 March 2020
Revenue from operations	(18)
Other income	(108)
Cost of raw materials and components consumed	193
Other expenses	-
Loss before tax	(319)
Tax benefits	(54)
Loss after tax	(265)
Total comprehensive loss for the period (after tax)	(265)
Basic and diluted earnings/(loss) per share	(1.95)

(figures in bracket represents decrease)

Impact on Balance Sheet:

(Rs. in lakhs)

Particulars	As at 31 March 2020	As at 1 April 2019
Other current financial assets	(1,838)	(1,709)
Non-current tax assets, net	1,041	926
Trade payables	1,202	949
Retained Earnings	(1,998)	(1,733)

(figures in bracket represents decrease)

Note 61- Net debt reconciliation

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash and cash equivalents	1,688	502	2,667
Borrowings	(2,800)	(8,191)	(6,499)
Lease liability	(119)	(126)	-
Interest Payable	(16)	(32)	(41)
Net debt	(1,247)	(7,847)	(3,873)

(Rs. in lakhs)

Particulars	Cash and cash equivalents	Borrowings	Lease liability	Interest Payable	Total
Net debt as at 1 April 2019	2,667	(6,499)	-	(41)	(3,873)
Cash flows	(2,165)	(1,692)	-	-	(3,857)
Adjustment on transition to Ind AS 116 (Refer Note 45)	-	-	(126)	-	(126)
Finance costs recognised	-	-	(11)	(850)	(861)
Finance costs paid	-	-	11	859	870
Net debt as at 31 March 2020	502	(8,191)	(126)	(32)	(7,847)
Cash flows	1,186	5,391	-	-	6,577
Leases	-	-	7	-	7
Finance costs recognised	-	-	(11)	(630)	(641)
Finance costs paid	-	-	11	646	657
Net debt as at 31 March 2021	1,688	(2,800)	(119)	(16)	(1,247)

Note 62- Exceptional items :

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
1. Investment in subsidiary company in India- The Company has an investment of Rs. 353 lakhs (Previous year Rs. 353 lakhs) in the equity share of its 100% subsidiary "Ador Welding Academy Private Limited", the Company has evaluated its investment for the purpose of determination of potential diminution value and based on evaluation and considering the underlying factors including downturn in business and decrease in related activities, has recognized a provision for diminution in the value of investment in Ador Welding Academy Private Limited as at 31 March 2021 amounting to Rs. 140 lakhs.	140	-
2. Balances with government authorities- The Company was carrying certain amount as receivables from various tax authority. During the year Company has evaluated its potential recovery considering the various factors like movement in collection of C forms, Assessment order received during the year etc. and accordingly the management has created a provision of Rs. 819 lakhs and written off of Rs 29 lakhs.	848	-
3. Projects The Management has evaluated the recoverability of the receivables from its various projects and created the appropriate provisions in the books amounting to Rs. 1,549 lakhs which includes Rs. 1,305 lakhs receivables from a project executed in the Kuwait, for which appropriate actions has been taken by the Company and the matter is pending in the Court of Law of Kuwait.	1,549	-
Total	2,537	-

Note 63- Corporate Social Responsibility :

The Company has formed a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Company is required to spend Rs. 58.58 lakhs as per Section 135(5). However, the Company has spent Rs. 49.18 lakhs on the activities mentioned in Schedule VII to the Companies Act, 2013.

Details of CSR spent during the financial year 2020-21:

- Total amount spent for the financial year : Rs. 49.18 lakhs
- Amount unspent : Rs. 9.40 lakhs
- Manner in which the amount spent during financial year 2020-21 is detailed below:-

(Rs. in lakhs)			
CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Disaster Management including relief, activities	Contribution to relief funds for socio economic development, relief and welfare the socially backward class/ unprivileged	Sponsored food packets for the underprivileged / socially backward people during lockdown due to COVID-19	1.00

(Rs. in lakhs)

CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Disaster Management including reconstruction and rehabilitation activities	Contribution to relief funds for socio economic development, relief and welfare the socially backward class/ unprivileged	Restoration of tribal residential school building at Mangaon which was devastated by the cyclone "Nisarg" that hit Konkan / Coastal Maharashtra	1.50
Promoting of Education	Promoting education for poor & needy	Renovation of a Higher Secondary School	1.34
Promoting of Education	Promoting education for poor & needy	Vocational training given to the underprivileged youth by sponsoring courses on Welding skill development	10.00
Empowering women	Sponsoring kits to underprivileged widowed mothers	Sponsoring kits to underprivileged widowed mothers	0.25
Empowering women	Eradicating hunger, empowering women & slum area development	Development projects in the urban slum communities of South Mumbai - Programmes relating to nutrition for children and skills training of women	5.35
Promoting of Education	Promoting education including special education for differently abled	Education for Girls with Hearing Impairment and Intellectual Disabilities	9.97
Empowering women	Empowering women	It provides immediate temporary shelter to woman from any part of India, who is abandoned or victimized by her husband, parents or relatives, or suffers from any type of social distress	5.07
Livelihood enhancement projects	Livelihood enhancement projects	Providing education, therapy services, co-curricular & extracurricular activity, nutrition & transport etc to the disabled children from the slums of Colaba, Mumbai, who come from economically challenged backgrounds	7.20
Promoting of Education	Promoting education	Providing Infrastructure for tribal schools	7.50
Total			49.18

Details of CSR spent during the financial year 2019-20:

a. Total amount spent : Rs. 65.07 lakhs

b. Amount unspent : Rs. 3.61 lakhs

c. Manner in which the amount spent during financial year 2019-20 is detailed below:-

			(Rs. in lakhs)
CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Promoting of Education	Facilities for Education	Renovated of a Higher Secondary School at Birgam, Raipur, CG State	50.98
Drinking Water Facility	Making available clean drinking water	Supported Safe Drinking Water Project at Begampur, a remote area in Hooghly District of West Bengal	0.25
Promoting of Education	Promoting education for poor & needy	Distributed of school kits to the needy & poor students	0.30
Promoting Health	Promoting Health care Including Mental Health	Sponsored Mental Health (Schizophrenia / Epilepsy) support group	0.75
Promoting of Education	Promoting education for poor & needy	Provided Education & Medical Facilities in slum areas of Kandivali	0.21
Promoting of Education	Vocational training for poor & needy	Provided desktop computers to Vanvasi Kalyan Aashram, Khanvel, Silvassa	0.15
Water Facility	Hot Water facility to the underprivileged	Provided solar water heater in the hostel for Adivasis	0.63
Setting up homes and hostels	Setting up homes and hostels for women and orphans	Provided various indoor facilities in the orphanage	0.50
Vocational Training	Vocational Training for poor & needy	Vocational training to the underprivileged youth by sponsoring courses on Welding Skill development	10.30
Contribution to relief funds	Contribution to relief funds for socio economic development, relief and welfare the socially backward class / unprivileged	Sponsored food packets for the underprivileged / socially backward classes during lockdown due to COVID-19	1.00
Total			65.07

Note 64 - Amounts below Rs 0.50 lakh have been rounded off.

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

This is a summary of significant accounting policies and other explanatory information referred to in our other report of even date.

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

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

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

Surya kant Sethia
Chief Financial Officer

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Place : Mumbai
Date : 28 May 2021

Independent Auditor's Report

To the Members of Ador Welding Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ador Welding Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. We draw attention to :
 - (i) Note 47 of the accompanying consolidated financial statements which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and consolidated financial statements of the Group as at the balance sheet date. The impact of these uncertainties on the Group's operations is significantly dependent on future developments.
 - (ii) Note 59 to the accompanying consolidated financial statements regarding the restatement carried out by the management of the Holding Company in September quarter, in accordance with the principles of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" on account of adjustments pertaining to revenue recognition under Ind AS 115 – "Revenue from Contracts with Customers", which is further described in the aforesaid note.

Our opinion is not modified in respect of these matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matter	How our audit addressed the key audit matter
Revenue Recognition	Our response:
Refer Notes 1(II)(n), 33 and 58 to the consolidated financial statements	
<p>Revenue recognition</p> <p>Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Group has three reportable business segments: i) Consumables ii) Equipment; and iii) project engineering business (PEB).</p> <p>The timing of recognition of revenue in case of sale of consumables is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms i.e. performance obligations are satisfied at a point in time.</p> <p>The performance obligations, in case of PEB, are satisfied over the time, whereas in case of equipment, performance obligations are satisfied at a point in time.</p>	<p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from contracts with customers") and testing thereof. • Evaluated the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts). • Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorized person and goods inward note. • Selected a sample of continuing and new contracts and performed the following procedures; <ul style="list-style-type: none"> – Read, analysed and identified the performance obligations in these contracts; – Compared these performance obligations with that identified and recorded by the Company; – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and

	<ul style="list-style-type: none"> – Determined the allocation of transaction price to identified performance obligations in the contract. • scrutinized sales ledgers to verify completeness of sales transactions. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, approved price list, proper recording in ledger of receivables etc. • Performed analytical procedures on current year revenue based on overall revenue recognized, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. • Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; • Tested the related disclosures made in standalone financial statements in accordance with Ind AS 115.
Key Audit matter	How our audit addressed the key audit matter
Indirect tax balances and litigations	Our response:
Refer Notes 1(II)(t), 12 and 43 to the consolidated financial statements	
<p><u>Indirect tax balances and litigations</u></p> <p>As at 31 March 2021, the Group has balances with indirect tax authorities aggregating to Rs. 2,770 lakhs (PY Rs. 1,990 lakhs) net of provision Rs 1,939 lakhs (PY 1,990) and has contingent liabilities amounting Rs. 2,167 lakhs (PY Rs. 4,032 lakhs) pertaining to various indirect tax matters pending before appropriate authorities. Based on a detailed assessment done by the management of recoverability of aforesaid balances, the Group has provided for Rs 831 lakhs during the year against such balances.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The eventual outcome of the said legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported profits and balance sheet position.</p>	<p>Our audit procedures included, but were not limited to, the following –</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for: <ul style="list-style-type: none"> o identification of indirect tax matters that are under litigations, or involve balances with the authorities that are doubtful of recovery o assessment of accounting treatment for each such litigation identified in accordance with the principles of under Ind AS 37, and o measurement of amounts involved in such litigations and assessments. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained and read the Group's accounting policies in respect of balances, provisions and contingent liabilities to assess compliance with accounting standards.

<p>We considered this as Key audit matter due to the materiality of the amounts involved, inherent high estimation uncertainty and significant judgements as stated above.</p>	<ul style="list-style-type: none"> • Obtained list of indirect tax balances, litigations and claims as at 31 March 2021 from management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations and recoverability of balances with government authorities. This involved assessing the probability of an unfavorable outcome of a given proceeding and testing the computation of amounts involved, through inspection of underlying documents and communications with the tax authorities. • Evaluated assessment of the management with respect to long standing balances with authorities which have been considered good and recoverable as at 31 March 2021 . • Engaged auditor’s experts, who obtained an understanding of the management’s assessment of the recoverability, conducted discussions with the management, and considered relevant tax laws and available precedents to validate the conclusions made by the management. • Assessed and evaluated the adequacy and appropriateness of the disclosures made by the management in the accompanying Consolidated financial statements.
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Information other than the Consolidated Financial Statements and Auditor’s Report thereon

7. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

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

8. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in

accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the respective companies included in the Group.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of ₹ 230 lakhs and net assets of ₹ 222 lakhs as at 31 March 2021, total revenues of ₹ 51 lakhs and net cash outflows amounting to ₹ 0 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the 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 matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiary, we report that the Holding Company has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to subsidiary company covered under the Act, since this company is not a public company as defined under section 2(71) of the Act.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory 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 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor 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 43 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 21042423AAAAEJ4571

Place: Mumbai
Date: 28 May 2021

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 2021

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

1. In conjunction with our audit of the consolidated financial statements of Ador Welding Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, which are companies covered under the Act, as at that date.

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, , the Holding Company, {its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India..

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to the subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 230 lakhs and net assets of ₹ 222 lakhs as at 31 March 2021, total revenues of ₹ 51 lakhs and net cash outflows amounting to ₹ 0 lakh for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the 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 auditor.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 21042423AAAAEJ4571

Place: Mumbai
Date: 28 May 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Rs. in lakhs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020 (Restated) ^	As at 1 April 2019 (Restated) ^
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2	10,830	11,608	10,634
(b) Right-of-use asset	3	101	110	-
(c) Capital work-in-progress	4	327	28	102
(d) Investment property	5	722	741	816
(e) Intangible assets	6	76	88	121
(f) Intangible assets under development		-	5	5
(g) Financial assets				
(i) Investments	7	-	-	-
(ii) Loans	8	175	184	161
(iii) Other financial assets	9	723	687	531
(h) Income tax (current-tax) assets (net)	10	1,206	1,093	1,271
(i) Deferred tax assets (net)	11	80	-	-
(j) Other non-current assets	12	1,977	2,072	2,149
Total non-current assets		16,217	16,616	15,790
(2) Current assets				
(a) Inventories	13	6,246	6,221	5,159
(b) Financial assets				
(i) Investments	14	1,068	375	371
(ii) Trade receivables	15	10,543	12,978	8,460
(iii) Cash and cash equivalents	16	1,704	518	2,681
(iv) Other bank balances	17	112	138	133
(v) Loans	18	115	157	160
(vi) Other financial assets	19	193	4,306	6,479
(c) Income tax assets (net)	20	-	439	-
(d) Other current assets	21	1,217	1,998	2,893
		21,198	27,130	26,336
(e) Assets classified as held for sale	22	106	-	-
Total current assets		21,304	27,130	26,336
Total Assets		37,521	43,746	42,126
Equity and liabilities				
Equity				
(a) Equity share capital	23	1,360	1,360	1,360
(b) Other equity		22,394	23,380	23,047
Total equity		23,754	24,740	24,407
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	24	136	145	23
(b) Provisions	25	359	387	172
(c) Deferred tax liabilities (net)	26	-	428	886
(d) Other non-current liabilities	27	5	7	7
Total non-current liabilities		500	967	1,088
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	28	2,800	8,191	6,499
(ii) Trade payables	29			
Total outstanding dues to micro and small enterprises		249	316	60
Total outstanding dues to creditors other than micro and small enterprises		7,145	6,968	7,578
(iii) Other financial liabilities	30	1,090	1,733	1,269
(b) Other current liabilities	31	1,490	363	761
(c) Provisions	32	493	468	464
Total current liabilities		13,267	18,039	16,631
Total equity and liabilities		37,521	43,746	42,126
Summary of significant accounting policies and other explanatory information				
1				
The accompanying notes forms an integral part of the consolidated financial statements				
^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 59)				
This is the consolidated balance sheet referred to in our report of even date.				

For Walker Chandio & Co LLP

For and on behalf of the Board of Directors

Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

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

Surya kant Sethia
Chief Financial Officer

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Place : Mumbai
Date : 28 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(Rs. in lakhs)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020 (Restated) ^
I. Income			
(a) Revenue from operations	33	44,768	52,636
(b) Other income	34	739	903
Total Income		45,507	53,539
II. Expenses			
(a) Cost of raw materials and components consumed	35	32,620	36,219
(b) Purchase of stock-in-trade	36	947	653
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	(1,189)	(58)
(d) Employee benefits expenses	38	3,770	4,254
(e) Finance costs	39	641	861
(f) Depreciation and amortisation expense	2,3,5,6	1,117	1,075
(g) Other expenses	40	6,610	7,482
Total expenses		44,516	50,486
III. Profit before exceptional items and tax (I-II)		991	3,053
IV. Exceptional items (net) (Loss)	61	(2,397)	-
V. (Loss)/Profit before tax (III-IV)		(1,406)	3,053
VI. Tax (credit)/expenses	41		
(a) Current tax		158	861
(b) Deferred tax (credit)/ charge		(526)	(420)
Total tax (credit)/ expense		(368)	441
VII. (Loss)/Profit for the year (V-VI)		(1,038)	2,612
VIII. Other comprehensive income	42		
(i) Items that will not be reclassified to statement of profit and loss		70	(197)
(ii) Income tax relating to above items		(18)	50
Total other comprehensive income/(loss) (net)		52	(147)
IX. Total comprehensive (loss)/ income for the year (VII+VIII)		(986)	2,465
X. Earnings per equity share	54		
Basic and diluted (losses)/earnings per share (Face value per share Rs. 10)		(7.63)	19.20
Summary of significant accounting policies and other explanatory information 1			
The accompanying notes form an integral part of the consolidated financial statements			
^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 59)			
This is the consolidated statement of profit and loss referred to in our report of even date.			

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

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

Surya kant Sethia
**Chief Financial
Officer**

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Place : Mumbai
Date : 28 May 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in lakhs)

Particulars	Year ended		Year ended	
	31 March 2021		31 March 2020 (Restated) ^	
A) Cash flow from operating activities				
(Loss) / Profit before tax		(1,406)		3,053
Adjustment for:				
Fair value adjustments relating to				
Financial assets at FVTPL	(14)		58	
Financial assets at amortised cost	(2)		(1)	
Interest expense on lease liability	11		11	
Depreciation and amortisation expense	1,117		1,075	
Bad debts written off	757		36	
Provision for doubtful debts	72		541	
Provision for doubtful deposit and advances	-		35	
Provision for unbilled revenue	-		52	
Exceptional items (Refer Note 61)	2,397		-	
Inventory written off	100		-	
Property, plant and equipment written off	79		-	
Assets written off	103		-	
Items considered separately:				
Finance costs	630		850	
Loss on sale of property, plant & equipment	53		10	
Surplus on sale of investments	(119)		(2)	
Interest income	(61)		(99)	
Rental income	(92)		(103)	
Exchange gain on revaluation of foreign currency monetary item	(100)	4,931	20	2,483
Operating profit before working capital changes		3,525		5,536
Adjustments for changes in working capital				
Inventories	(125)		(1,062)	
Trade receivables	26		(5,076)	
Loans and Other receivables	4,114		3,148	
Trade payables	128		(425)	
Liabilities and Provisions	65	4,208	307	(3,108)
Cash generated from operating activities		7,733		2,428
Income tax refund/(paid)		169		(1,062)
Net cash generated from operating activities		7,902		1,366
B) Cash flow from investing activities				
Acquisition of property, plant and equipment (including capital work-in- progress and capital advances)	(910)		(2,198)	
Purchase of investments	(965)		(1,661)	
Proceeds from sale of property, plant and equipment	108		10	
Advance received against proposed sale of property	585		-	
Proceeds from sale of investments	405		1,602	

(Rs. in lakhs)

Particulars	Year ended		Year ended	
	31 March 2021		31 March 2020 (Restated) ^	
Interest received	62		99	
Rental received	88		98	
Investment in fixed deposits	(30)		(156)	
Net cash used in investing activities		(657)		(2,206)
C) Cash flow from financing activities				
Finance cost paid	(647)		(859)	
Finance cost pad on lease liabilities	(11)		(11)	
Repayment of lease liabilities	(10)		(13)	
(Repayment)/ Proceeds of current borrowings	(5,391)		1,692	
Dividend paid	-		(1,768)	
Dividend distribution tax	-		(364)	
Net cash used in financing activities		(6,059)		(1,323)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,186		(2,163)
Cash and cash equivalents at the beginning of the year		518		2,681
Cash and cash equivalents at the end of the year [Refer note 16]		1,704		518

Notes to the cash flow statement

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

(Rs. in lakhs)

Particulars	As at	
	31 March 2021	31 March 2020
Cash on hand	7	5
Balances with banks in current accounts	1,697	513
Total	1,704	518

Summary of significant accounting policies and other explanatory information 1
The accompanying notes forms an integral part of the consolidated financial statements.

^ Restated pursuant to Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Refer Note 59)

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

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

Surya kant Sethia

**Chief Financial
Officer**

A. T. Malkani

Managing Director
DIN : 01585637

N.Malkani Nagpal

Executive Chairman
DIN : 00031985

Place : Mumbai

Date : 28 May 2021

Place : Mumbai

Date : 28 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 MARCH 2021

A) Equity share capital (Refer note 23)

Particulars	Number of shares	Amount (Rs. in lakhs)
Issued, subscribed and paid up:		
As at 1 April 2019	13,598,467	1,360
As at 31 March 2020	13,598,467	1,360
As at 31 March 2021	13,598,467	1,360

B) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earning (Refer Note a below)	
Balance as at 1 April 2019	14,147	223	10,410	24,780
Impact of restatement Ind AS 8 [Refer note 59]	-	-	(1,733)	(1,733)
Restated Balance as at 1 April 2019	14,147	223	8,677	23,047
Restated Net Profit for the year	-	-	2,612	2,612
Other comprehensive loss for the year	-	-	(147)	(147)
Transfer from retained earnings to general reserve	239	-	(239)	-
Equity dividend including taxes thereon as above	-	-	(2,132)	(2,132)
Restated Balance as at 31 March 2020	14,386	223	8,771	23,380
Loss for the year	-	-	(1,038)	(1,038)
Net other comprehensive income for the year	-	-	52	52
Transfer from retained earnings to general reserve	283	-	(283)	-
Balance as at 31 March 2021	14,669	223	7,502	22,394

Nature and purpose of the reserves

(1) General reserve

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

(2) Capital redemption reserve

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

(3) Retained earnings

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

Note:

(a) Impact of restatement are as follows:

Particulars	(Rs. in lakhs)		
	Retained Earning before restatement	Adjustment due to restated accounts	Retained Earning after restatement
As at 1 April 2019	10,410	(1,733)	8,677
As at 31 March 2020	10,769	(1,998)	8,771

Summary of significant accounting policies and other explanatory information 1

The accompanying notes forms an integral part of the consolidated financial statements.

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

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

Place : Mumbai
Date : 28 May 2021

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

Surya kant Sethia
**Chief Financial
Officer**

For and on behalf of the Board of Directors

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Note 1 - Significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2021

I. Group Corporate Information

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

The financial statements comprise the financial statements of the Company and its subsidiary (the Company and its subsidiary referred to as "the Group"). These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2021 were authorised for issue in accordance with resolution of the Board of Directors on 28 May 2021.

II. Significant Accounting Policies followed by the Group

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

(a) Statement of compliance

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

(b) Basis of Preparation

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

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

Current and non-current classification

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

(c) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis.

Subsidiary are entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions

between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(d) Critical estimates and judgements

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

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

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets / liabilities

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

Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 48.

Fair value measurements of financial instruments

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

Other areas involving critical estimates or judgments are :

- i) Revenue from Project Engineering Business projects - Refer note 1(II)(n)
- ii) Estimation of tax expenses and tax payable - Refer note 41
- iii) Probable outcomes of matters included under Contingent Liabilities - Refer note 43
- iv) Leases - Estimating the incremental borrowing rate - Refer note 1(II)(r)

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

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

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

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

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

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

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

(g) Intangible Assets (including intangibles under development)

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

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

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

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

(h) Investment properties

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

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

(i) Impairment of non-financial assets

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

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

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

(j) Investments and financial assets

Classification

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

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

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

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

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

Measurement

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

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

Measurement of debt instruments

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

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

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

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

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

Impairment of financial assets

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

For trade receivables only, the Group applies the simplified approach, permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

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

(k) Cash and cash equivalents

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

(l) Borrowings and other financial liabilities

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

(m) Inventories

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

(n) Revenue Recognition

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation

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

i) Sale of consumables

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

ii) Project engineering business

Project engineering contracts are generally takes 1 to 2 years. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of Group's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. For contracts with distinct performance obligations, Group allocate the contract's transaction price to each performance obligation using the best estimate of the standalone selling price (i.e. fair value based on market approach) of each distinct good or service in the contract. Generally, most of the revenue in project engineering segments is recognized over time, because control of the asset is transferred as and when the asset is created or enhanced to customers. The Group monitors estimates of total contract revenue and costs on a regular basis throughout the contract period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

iii) Contract Assets

Contract assets represents revenue recognized in excess of revenue billed. These amounts are billed after milestones specified in the agreement are achieved. Contract assets are disclosed under Other Current Financial Assets in the balance sheet.

iv) Benefit on account of entitlement to Import duty

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.

(o) Other Income

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

(p) Employee Benefits

Provident fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes" as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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

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

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

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

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

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

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

(q) Income taxes

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

(i) Current Income taxes

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

(ii) Deferred income tax

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses

unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

(r) Leases

The Group has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor:

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

(s) Foreign Currency Transactions

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

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

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

(t) Provisions, contingent liabilities and contingent assets

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

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

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

(u) Earnings per share

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

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

(v) Provision for warranty

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Group. It is expected that this expenditure will be incurred over the contractual warranty period.

(w) Research & Development

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

(x) Standards issued but not effective

There is no standard that is issued but not yet effective on 31 March 2021.

Note 2 - Property, plant and equipment

Description	(Rs. in lakhs)														
	Freehold land	Leasehold land	Buildings [Refer notes (a) as below]	Ownership premises	Plant and equipments (including computers)	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Freehold land	Buildings (including computers)	Plant and equipment (including computers)	Furniture and fixtures	Air conditioner	Total
Gross carrying value															
As at 1 April 2019	342	4	7,587	274	14,437	1,171	968	254	368	34	127	762	4	7	26,339
Additions	-	-	313	-	1,353	74	52	21	87	-	-	13	-	-	1,913
Adjustments [Refer notes (d) below]	-	23	53	-	-	-	-	-	-	-	-	-	-	-	76
Deductions	-	-	-	-	123	17	14	6	18	-	-	-	-	-	178
As at 31 March 2020	342	27	7,953	274	15,667	1,228	1,006	269	437	34	127	775	4	7	28,150
Additions	-	-	32	79	259	56	68	9	5	-	-	8	-	-	516
Adjustments [Refer notes (b) below]	-	(1)	(406)	-	-	-	-	-	-	-	-	-	-	-	(407)
Deductions	-	-	4	-	1,360	22	28	20	59	-	-	6	-	-	1,499
As at 31 March 2021	342	26	7,575	353	14,566	1,262	1,046	258	383	34	127	777	4	7	26,760
Accumulated depreciation															
As at 1 April 2019	-	-	2,321	75	11,035	822	559	174	132	-	91	490	-	6	15,705
Depreciation charge	-	-	249	5	500	58	65	21	48	-	1	27	-	1	975
Adjustments [Refer notes (d) below]	-	-	20	-	-	-	-	-	-	-	-	-	-	-	20
Deductions	-	-	-	-	111	16	14	5	12	-	-	-	-	-	158
As at 31 March 2020	-	-	2,590	80	11,424	864	610	190	168	-	92	517	-	7	16,542
Depreciation charge	-	-	255	5	547	61	59	22	55	-	3	23	2	-	1,032
Adjustments [Refer notes (b) below]	-	-	(301)	-	-	-	-	-	-	-	-	-	-	-	(301)
Deductions	-	-	3	-	1,227	21	26	18	43	-	-	3	-	2	1,343
As at 31 March 2021	-	-	2,541	85	10,744	904	643	194	180	-	95	537	2	5	15,930
Net carrying value															
As at 1 April 2019	342	4	5,266	199	3,402	349	409	80	236	34	36	272	4	1	10,634
As at 31 March 2020	342	27	5,363	194	4,243	364	396	79	269	34	35	258	4	-	11,608
As at 31 March 2021	342	26	5,034	268	3,822	358	403	64	203	34	32	240	2	2	10,830

Notes:-

(a) Includes:

- (i) Rs. 0.01 lakh (31 March 2020: Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
- (ii) Rs. 4.17 lakhs (31 March 2020: Rs. 4.17 lakhs) for tenements in an association of apartment owners.

(b) During the Current year, the Company has entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 66,108 square meters, Gross carrying amount (Land Rs. 1 lakh and building Rs. 406 lakhs) and Accumulated depreciation on building of Rs. 301 lakhs has been classified from "Property, plant and equipment" to "Asset classified as held for sale". (Refer note 22)

(c) Refer notes 56 for information on Property, plant and equipment pledged as security against borrowings of the Company.

(d) During the previous financial year 2019-20, Leasehold land and building situated at Delhi (Narayana) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 20 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment".

Note 3 - Right-of-use asset

Description	(Rs. in lakhs)		
	Ownership premises [Refer Notes (c),(d),(e) as below and Note 45]	Computers [Refer Notes(c),(d),(e) as below and Note 45]	Total
Gross carrying value			
As at 1 April 2019	-	-	-
Additions	130	-	130
Deductions	-	-	-
As at 31 March 2020	130	-	130
Additions	-	11	11
Deductions	4	-	4
As at 31 March 2021	126	11	137
Accumulated amortisation			
As at 1 April 2019	-	-	-
Amortisation charge	20	-	20
Deductions	-	-	-
As at 31 March 2020	20	-	20
Amortisation charge*	16	0	16
Deductions	-	-	-
As at 31 March 2021	36	0	36
Net carrying value			
As at 1 April 2019	-	-	-
As at 31 March 2020	110	-	110
As at 31 March 2021	90	11	101

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:-

- (a) The Group had adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Group had applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). This had resulted in recognising a right-of-use asset of Rs. 130 lakhs and a corresponding lease liability of Rs. 129 lakhs.
- In the statement of profit and loss, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard does not have any significant impact on the loss for the year and earnings per share. The weighted average incremental borrowing rate of 9.50% had applied to lease liabilities recognised in the balance sheet at the date of initial application.
- (b) The Group's Right-of-use assets comprises of Ownership premises and computers whose net carrying amount as at 31 March 2021 is Rs. 101 lakhs (31 March 2020: Rs. 110 lakhs) after adjusting accumulated depreciation as at 31 March 2021 is Rs. 36 lakhs (31 March 2020: Rs. 20 lakhs).
- (c) During the current year 2020-21 in Right-of-use assets and lease liabilities, there is addition of Rs 11 lakhs towards laptops taken on rental basis and deduction of Rs 4 lakhs related to Chennai leased office which has been vacated during the year.
- (d) The Group incurred Rs. 10 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 31 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 31 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 55 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 11 lakhs for the year 31 March 2021 (31 March 2020: Rs. 11 lakhs). [Refer Note 40 and Note 45]
- (e) Also refer note 45 for the impact of transition to Ind AS 116 - Leases and the related disclosures.

Note 4 - Capital work in progress

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Opening balance	28	102	75
Add : Addition during the year	325	16	84
Less : Capitalised during the year	(26)	(90)	(57)
Total	327	28	102

Note 5 - Investment Property

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value (at deemed cost)					
As at 1 April 2019	49	40	844	82	1,015
Additions	-	-	-	-	-
Adjustments [Refer notes (d) below]	-	(23)	(53)	-	(76)
Deductions	-	-	-	-	-
As at 31 March 2020	49	17	791	82	939
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2021	49	17	791	82	939
Accumulated depreciation					
As at 1 April 2019	-	-	170	29	199
Depreciation charge	-	-	16	1	17
Adjustments [Refer notes (d) below]	-	-	(18)	-	(18)
Deductions	-	-	-	-	-
As at 31 March 2020	-	-	168	30	198
Depreciation charge	-	-	18	1	19
Deductions	-	-	-	-	-
As at 31 March 2021	-	-	186	31	217
Net carrying value					
As at 1 April 2019	49	40	674	53	816
As at 31 March 2020	49	17	623	52	741
As at 31 March 2021	49	17	605	51	722

Notes :
(a) Fair Value of Investment properties*

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 1 April 2019	427	1,047	1,117	889	3,480
As at 31 March 2020	427	1,047	814	889	3,177
As at 31 March 2021	358	1,004	798	916	3,076

***Estimation of fair value**

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.

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

(b) Information regarding income and expenditure of Investment property

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	92	103
Direct operating expenses (including repairs and maintenance) generating rental income	18	7
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	4
Profit arising from investment properties before depreciation	74	92
Less: Depreciation	(19)	(17)
Profit arising from investment properties	55	75

- (c) The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.
- (d) During the previous financial year 2019-20, Leasehold land and building situated at Delhi (Narayana) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment".

Note 6 - Intangible assets

(Rs in lakhs)

Description	Computer Software	Total
Gross carrying value		
As at 1 April 2019	663	663
Additions	28	28
Adjustments	2	2
Deductions	-	-
As at 31 March 2020	693	693
Additions	39	39
Deductions	12	12
As at 31 March 2021	720	720
Accumulated amortisation		
As at 1 April 2019	542	542
Amortisation charge	63	63
Deductions	-	-
As at 31 March 2020	605	605
Amortisation charge	50	50
Deductions	11	11
As at 31 March 2021	644	644
Net carrying value		
As at 1 April 2019	121	121
As at 31 March 2020	88	88
As at 31 March 2021	76	76

Note 7 - Investment (Non-current)
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investment in equity instruments			
(A) Investment in unquoted equity shares measured at fair value through profit and loss			
Plasma Laser Technologies Limited			
261,105 (31 March 2019: 261,105) Series A Preferred shares of NIS 1 each	-	-	927
Less: Provision for diminution in the value of investments [Refer note (a) below]	-	-	(927)
	-	-	-
Total	-	-	-
Aggregate amount of unquoted investments before impairment	-	-	927
Aggregate amount of impairment in the value of investments	-	-	927

Note:
(a) Investment in Plasma Laser Technologies Limited (PLT):-

During the Previous year 31 March 2020, the Group has written off the investment of Rs. 927 lakhs (1 April 2019: Rs. 927 lakhs) in Plasma Laser Technologies Limited (PLT) against the provision created for diminution in the value of investment in PLT amounting to Rs. 927 lakhs.

Note 8 - Loans (Non-current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposit	160	190	165
Less : Provision for doubtful deposit	-	(20)	(12)
	160	170	153
Loan to employees	15	14	8
Total	175	184	161

Break-up:
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	175	184	161
Loans considered doubtful - Unsecured	-	20	12
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	(20)	(12)
Total	175	184	161

Note 9 - Other financial assets (Non-current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Fixed deposits held as lien by bank against bank guarantees	723	687	531
Total	723	687	531

Note 10 - Income tax (current-tax) assets (net) (Non-current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax (net of provision) [Refer Notes (a) and (b) below and Note 59]	1,192	1,082	1,266
MAT credit availment	14	11	5
Total	1,206	1,093	1,271

Notes:

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

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax assets	4,223	3,077	4,090
Current income tax liabilities	3,031	1,995	2,824
Net balances	1,192	1,082	1,266

(b) Impact of restatement are as follows:

Particulars	(Rs. in lakhs)		
	Income tax (current-tax) asset (net) before restatement	Adjustment due to restated accounts	Income tax (current-tax) asset (net) after restatement
As at 1 April 2019	340	926	1,266
As at 31 March 2020	41	1,041	1,082

Note 11 - Deferred tax assets (net)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax assets on account of:			
Employee benefits	151	-	-
Provision for doubtful debts	673	-	-
Deferment of revenue	36	-	-
	860	-	-
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	779	-	-
Financial asset measured at FVTPL	1	-	-
	780	-	-
Net deferred tax assets	80	-	-

Note 12 - Other non-current assets
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances considered good [Refer Notes (a) below]	23	55	46
Capital advances considered doubtful [Refer Notes (a) below]	27	27	-
Less : Provision for Capital advances	(27)	(27)	-
	23	55	46
Balances with government authorities considered good	1,939	1,990	2,083
Balances with government authorities considered doubtful	831	-	-
Less : Provision for Balances with government authorities [Refer Notes (b) below]	(831)	-	-
	1,939	1,990	2,083
Prepaid Expenses	15	27	20
Total	1,977	2,072	2,149

Break-up:
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Other assets considered good - Secured	-	-	-
Other assets considered good - Unsecured	1,977	2,072	2,149
Other assets considered doubtful - Unsecured	858	27	-
Other assets which have significant increase in credit risk	-	-	-
Other assets - credit impaired	(858)	(27)	-
Total	1,977	2,072	2,149

Notes:

(a) Capital Advances includes:

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Land at Silvassa	27	27	27
Less : Provision for capital advances	(27)	(27)	-
Furniture and fixtures	14	-	-
Building	-	37	-
Plant and equipment	9	18	19
Total	23	55	46

- (b) The Group has created a provision towards doubtful recovery from the government authorities amounting to Rs. 831 lakhs (out of which Rs. 819 lakhs have been shown as exceptional items in the Statement of Profit and Loss).

Note 13 - Inventories

(Valued at lower of cost or net realisable value)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials, components and packing material	2,044	3,190	2,185
Work-in-Progress	1,063	902	600
Finished Goods	2,454	1,552	1,817
Stock-in-trade	109	113	108
Stores, spares, parts, scrap etc.	249	267	268
Right to receive inventory	327	197	181
Total	6,246	6,221	5,159

Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories to net realisable value amounted to Rs. 100 lakhs (31 March 2020: Nil). These write down were recognised as an expense during the year and included in the 'Changes in inventories of finished goods, work-in-progress, and stock-in-trade' in the Statement of Profit and Loss.

Note 14 - Investments (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Financial assets classified and measured at fair value through profit or loss			
(A) Investment in mutual funds (Quoted)			
Birla Sunlife Balanced 95 fund - growth - direct plan (31 March 2021: Nil, 31 March 2020: 7,709.91 units, 1 April 2019: 7,709.91 units)	-	48	63
Birla Sunlife Balanced 95 fund - growth - regular plan (31 March 2021: Nil, 31 March 2020: 3,680.059 units, 1 April 2019: 3,680.059 units)	-	21	28
DSP blackrock Balanced fund - direct plan - growth (31 March 2021: Nil, 31 March 2020: 12,209.416 units, 1 April 2019: 12,209.416 units)	-	17	20
DSP Blackrock Balanced fund - regular plan - growth (31 March 2021: Nil, 31 March 2020: 28,696.993 units, 1 April 2019: 28,696.993 units)	-	38	43
Franklin India balanced fund - growth (31 March 2021: Nil, 31 March 2020: 5,430.881 units, 1 April 2019: 5,430.881 units)	-	5	7

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
HDFC Hybrid Equity Balanced fund - regular plan - growth (31 March 2021: Nil, 31 March 2020: 107,912.58, 1 April 2019: 107,912.58 units)	-	46	58
ICICI Prudential Balanced fund - growth (31 March 2021: Nil, 31 March 2020: 53,322.947 units, 1 April 2019: 53,322.947 units)	-	57	72
HDFC Balanced Advantage fund - regular plan - growth (31 March 2021: 43,137.551 units, 31 March 2020: Nil, 1 April 2019: Nil)	102	-	-
Birla Sunlife Liquid fund - growth - regular plan (31 March 2021: 253098.63 units; 31 March 2020: 10162.774 units; 1 April 2019: 10162.774 units)	833	32	30
Birla sunlife floating rate fund - growth - direct plan (31 March 2021: 4,048.083 units; 31 March 2020: 4,048.083 units, 1 April 2019: Nil)	11	10	-
Birla sunlife arbitrage fund - growth - direct plan (31 March 2021: 25,184.984 units; 31 March 2020: 25,184.984 units, 1 April 2019: Nil)	5	5	-
Birla sunlife arbitrage fund - growth - regular plan (31 March 2021: 160,644.404 units; 31 March 2020: Nil, 1 April 2019: Nil)	33	-	-
SBI Magnum low duration fund - growth plan (31 March 2021: 606.083 units; 31 March 2020: 606.083 units, 1 April 2019: Nil)	17	16	-
Aditya Birla sunlife arbitrage fund - growth - regular plan (31 March 2021: 30,761.186 units; 31 March 2020: 30,761.186 units, 1 April 2019: Nil)	6	6	-
IDFC Banking and PSU Debt fund - growth - regular plan (31 March 2021: 35,493.508 units; 31 March 2020: 35,493.508 units, 1 April 2019: Nil)	7	6	-
Aditya Birla sunlife equity hybrid 95 fund - growth - direct plan (31 March 2021: 1,245.128 units; 31 March 2020: 1,245.128 units, 1 April 2019: Nil)	12	8	-
HDFC Corporate bond fund - growth - regular plan (31 March 2021: 43,871.772 units; 31 March 2020: 43,871.772 units, 1 April 2019: Nil)	12	10	-
Investment in mutual funds	1,038	325	321

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(B) Investment in bonds (Quoted)			
9.60% Tourism Finance Corporation Limited Bonds_2028 (31 March 2021: 2 units, 31 March 2020: 2 units, 1 April 2019: 2 units of Rs. 10 lakhs each)	20	20	20
9.65% Tourism Finance Corporation Limited Bonds_2033 (31 March 2021: 1 units, 31 March 2020: 1 units, 1 April 2019: 1 units of Rs. 10 lakhs each)	10	10	10
9.05% Oriental Bank of Commerce Bond (Perpetual) (31 March 2021: Nil, 31 March 2020: 2 units, 1 April 2019: 2 units of Rs. 10 lakhs each)	-	20	20
Investment in bonds	30	50	50
Total (A+B)	1,068	375	371
Aggregate amount of investments			
Quoted	1,055	375	365
Aggregate market value of investments			
Quoted	1,068	375	371

Note 15 - Trade receivables

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	12,365	13,759	8,717
Receivables from related parties (Refer Note 49)	34	17	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Less : Provision for doubtful trade receivables	(1,856)	(798)	(257)
Total	10,543	12,978	8,460

Break-up:

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured, considered good [Refer notes (a) below]	297	250	589
Unsecured, considered good [Refer notes (b) below]	10,246	12,728	7,871
Unsecured, considered doubtful	1,856	798	257
Less : Provision for doubtful trade receivables	(1,856)	(798)	(257)
Total	10,543	12,978	8,460
Includes amount due from Private Companies in which Director / officer is a Director (Refer Note 49)	2	7	-

Notes :

(a) Secured by letter of credit

(b) Refer notes 52(A) for information on credit risk and details regarding past dues receivables and, movement in provisions of doubtful debts.

Note 16 - Cash and cash equivalents
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	7	5	5
Cheques on hand	-	-	2,061
Balances with banks in current accounts	1,697	513	615
Total	1,704	518	2,681

Note 17 - Other bank balances
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Earmarked balances with banks [Refer note (a) below]	112	132	127
Deposits with maturity of more than three months but less than twelve months	-	6	6
Total	112	138	133

Note:

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

Note 18 - Loans (Current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	80	110	118
Loan to related parties (Refer Note 49)*	0	1	4
Loans and advances to employees	30	37	29
Others	5	9	9
Total	115	157	160

Break-up:
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	115	157	160
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
Total	115	157	160

* Amounts below Rs 0.50 lakh have been rounded off.

Note 19 - Other financial assets (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unbilled revenue [Refer Note (a) below and Note 59]	130	4,301	6,131
Less: Provision for unbilled revenue	-	(52)	-
	130	4,249	6,131
Interest accrued but not due on fixed deposits	1	2	2
Measurement of derivative contract at marked to market	-	-	148
Other receivables			
(a) from related parties	1	2	-
(b) from others	61	53	198
Total	193	4,306	6,479

Note:

(a) Impact of restatement are as follows:

Particulars	(Rs. in lakhs)		
	Unbilled revenue before restatement	Adjustment due to restated accounts	Unbilled revenue after restatement
As at 1 April 2019	7,840	(1,709)	6,131
As at 31 March 2020	6,139	(1,838)	4,301

Note 20 - Income tax assets (net) (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax [Refer note (a) below]	-	439	-
Total	-	439	-

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2017-18 and A.Y. 2018-19. Total amount of advance taxes paid for these assessment years is Rs. 2,062 lakhs and provision for taxes made is Rs. 1,623 lakhs.

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract assets	184	485	2,115
Advance to suppliers	612	1,217	418
Prepaid expenses	108	129	184
Duty entitlement on hand	-	4	14
Duty drawback and MEIS receivable	60	68	162
Input tax credit receivable	66	41	-
Other receivables	187	54	-
Total	1,217	1,998	2,893

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Leasehold land (Refer note as below and note 2)	1	-	-
Buildings (Refer note as below and note 2)	105	-	-
Total	106	-	-

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

The Group has identified certain assets like land and building based Ahmednagar plant which are available for sale in its present condition. The Group is committed to plan the sale of asset and an active programme to locate a buyer and complete the plan have been initiated. As at 31 March 2021, the Group has received Rs. 585 lakhs as advance towards sale of Ahmednagar plant land and building and is actively working towards fulfilment of the condition precedents specified in the agreement. Pending completion of these conditions, the Group continues to classify the investment as 'Assets classified as held for sale'. The Group expects to dispose off these assets within twelve months from its classification.

Additional information on the Asset classified as held for sale by class of assets as at 31 March 2021 are as follows:

(Rs. in lakhs)

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

Note 23 - Equity share capital

(Rs. in lakhs)

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
Authorised shares 30,000,000 (31 March 2020: 30,000,000; 1 April 2019: 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 2020: 13,598,467; 1 April 2019: 13,598,467) equity shares of Rs. 10 each fully paid up	1,360	1,360	1,360
Contribution from Holding company	-	-	-
Total	1,360	1,360	1,360

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

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Equity shares						
Shares outstanding at the beginning of the year	13,598,467	1,360	13,598,467	1,360	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 23 b- Rights, preferences and restrictions

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

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

Note 23 c- Shares held by holding company

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	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 & Company Private Limited	6,800,531	50.01%	6,800,531	50.01%	6,800,531	50.01%

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

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	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	68,00,531	50.01%	68,00,531	50.01%	6,800,531	50.01%
Nippon Life India Trustee Ltd-A/C Nippon India Value Fund (Reliance Capital Trustee Company Limited)	8,64,065	6.35%	877,875	6.46%	878,890	6.46%
Total	76,64,596	56.36%	76,78,406	56.47%	76,79,421	56.47%

Note 23 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 2021.

Note 24 - Other financial liabilities (Non-current)
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Rent deposit	14	8	10
Rent deposit from related parties [Refer Note 49]	14	14	-
Deposit from engineer trainees	2	10	13
Lease liability [Refer note 45]	106	113	-
Total	136	145	23

Note 25 - Provisions (Non-current)
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Gratuity [Refer note 48 (II)]	359	387	172
Total	359	387	172

Note 26 - Deferred tax liabilities (net)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax liabilities on account of:			
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	-	829	1,017
Capital expenditure for scientific research	-	-	109
Financial asset measured at FVTPL*	-	0	5
	-	829	1,131
Deferred tax assets on account of:			
Employee benefits	-	157	130
Provision for doubtful debts	-	218	89
Deferment of revenue	-	26	26
	-	401	245
Net deferred tax liabilities	-	428	886

* Amounts below Rs 0.50 lakh have been rounded off.

Note 27 - Other non-current liabilities

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income	5	7	7
Total	5	7	7

Note 28 - Borrowings

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A. Secured Borrowings			
From banks			
Working capital loan repayable on demand [Refer notes (a) and (b) below and also refer note 56]	2,800	4,300	6,150
B. Unsecured Borrowings			
From banks			
Working capital loan repayable on demand	-	800	-
Cash credit facility availed from bank	-	2,699	-
Other loans			
Liability on account of bills discounting	-	392	349
Total	2,800	8,191	6,499

Notes:

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

- (a) Working capital loan from a bank, balance outstanding amounting to Rs 2,800 lakhs (31 March 2020: Rs 4,000 lakhs; 1 April 2019: Rs 4,000 lakhs) is secured first pari passu charge by way of hypothecation of Company's entire stocks and book debts, both present and future, exclusive charge on the entire plant

and machinery and other movable fixed assets of the Company and on the land and building of the Company located at survey no. 59/11/1, 59/11/2, 59/11/3, 59/12 and 59/13 situated at village Masat, Silvassa Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 7.20% p.a. (31 March 2020: 8.10% p.a.; 1 April 2019: 9.10% p.a.)

(b) Working capital loan from another bank, balance outstanding amounting Nil (31 March 2020: Rs 300 lakhs; 1 April 2019: Rs 2,150 lakhs) are secured by way of first pari passu charge on current assets of the Company and, exclusive charge on Chennai plant (land and building and both present and future movable fixed assets including plant and machinery) situated at Survey Nos. 166/1A2 and 1661b, Patta No. 10, situated in the Kanchipuram District, chengalpattu Taluk, Melakottaiyur Village Chennai 600 048. Working capital loan repayable on demand, Rate of interest Nil (31 March 2020: 11.25% p.a.; 1 April 2019: 10.65% p.a.)

(ii) Guarantees given by banks to third parties amounting to Rs. 2,202 lakhs (31 March 2020: Rs. 2,105 lakhs; 1 April 2019: Rs. 2,369 lakhs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 29 - Trade payables

(Rs. in lakhs)

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
Dues to micro, small and medium enterprises [Refer Notes (a) below]	249	316	60
Others [Refer Notes (b) below and 59]	7,027	6,846	7,439
Amounts due to related parties [Refer Note 49]	118	122	139
Total	7,394	7,284	7,638

Notes:

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

(Rs. in lakhs)

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
Principal amount due remaining unpaid to supplier as at the end of accounting year	249	316	60
Interest due remaining unpaid to supplier as at the end of accounting year	1	3	0*
Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	1	3	0*
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	3	0*
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-

* Amounts below Rs 0.50 lakh have been rounded off.

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.

(b) **Impact of restatement are as follows:**

Particulars	(Rs. in lakhs)		
	Trade payables before restatement	Adjustment due to restated accounts	Trade payables after restatement
As at 1 April 2019	6,689	949	7,638
As at 31 March 2020	6,082	1,202	7,284

Note 30 - Other financial liabilities (Current)

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deposits:			
(a) Rent deposit	12	9	15
(b) From distributors	264	164	154
(c) From others	13	21	15
Employee benefits payable:			
(a) from related parties (Refer Note 49)	13	-	-
(b) from others	134	159	145
Unclaimed dividend	112	132	127
Creditors for capital goods	36	22	297
Lease liability [Refer note 45]	13	13	-
Provision for expenses [Refer note (a) below]	430	1,041	419
Measurement of derivative contract at marked to market	-	93	-
Others	63	79	97
Total	1,090	1,733	1,269

Note:

(a) **Movement in provision for expenses are as follows :**

Particulars	(Rs. in lakhs)			
	As at 1 April 2020	Utilised / reversal during the year	Provision for the year	As at 31 March 2021
Expenditures towards Project Engineering Business	574	534	116	156
Variable incentive pay	50	50	100	100
Bonus and commission payable to directors	76	76	-	-
Electricity expenses	10	10	11	11
Freight expenses	106	106	71	71
Legal and professional fees	5	5	-	-
Other expenses	220	220	92	92
Total	1,041	1,001	390	430

Note 31 - Other current liabilities
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advances received from distributors on behalf of customers	22	12	12
Advances received from customers*	221	220	407
Statutory dues	656	123	334
Advance received against sale of asset	585	-	-
Advance Income	4	4	3
Provision for income tax	2	4	5
Total	1,490	363	761

* Includes an amount of Rs. 33 lakhs (31 March 2020: Rs. 65 lakhs; 1 April 2019: Rs. 313 lakhs) on account of Project Engineering Business.

Note 32 - Current provisions
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Gratuity [Refer note 48 (II)]	27	-	-
Provision for Compensated Absences [Refer note 48 (III)]	213	227	199
Other provisions [Refer notes as below]			
Provision for warranties [Refer Notes (b) below]	53	55	67
Provision for sales return	200	186	198
Total	493	468	464

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

Particulars	Provision for warranties	Provision for sales return
As at 31 March 2019	67	198
Additional provision recognised	55	186
Amount used (charged against provisions) during the year	(67)	(198)
As at 31 March 2020	55	186
Additional provision recognised	53	200
Amount used (charged against provisions) during the year	(55)	(186)
As at 31 March 2021	53	200

(b) Provision of Rs. 53 lakhs (31 March 2020: Rs. 55 lakhs; 1 April 2019: Rs. 67 lakhs) has been recognised for expected warranty claims on welding equipment and goods traded during the current financial year. It is expected that all these expenditures will be incurred in next financial year.

Note 33 - Revenue from operations

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Sale of goods (Refer notes (a) and (b) below)		
Domestic	42,955	48,746
Export	2,450	3,514
Sale of services	87	154
Derecognition of sales	(918)	-
Other operating revenue		
Sale of scraps and others	194	222
Total	44,768	52,636

Notes:

- (a) Refer note 58 for information on Revenue from contracts with customers under Ind AS 115 and, note 59 on Impact of restatement under Ind AS 8.
- (b) During the current year 2020-21, Company has derecognised revenue of Rs. 918 lakhs which was recognised in earlier financial years and was part of unbilled revenue in the balance sheet, as the Holding Company was not able to invoice it as work was not done as per client specifications.

Note 34 - Other income

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial asset measured at amortised cost		
(i) Fixed deposits with banks	39	32
(ii) Overdue amount from customers	12	51
(iii) Others	10	16
Realised gain on financial assets measured at fair value through profit or loss	119	2
Rent received (Refer note 46)	92	103
Duty drawback and export incentive	62	139
Insurance recovered (net of expense)	41	53
Foreign currency fluctuation gain (net)	196	330
Provisions / liabilities no longer required now written back	96	56
Fair value change of financial asset measured at fair value through profit or loss	14	1
Insurance claims received	3	20
Miscellaneous income	55	100
Total	739	903

Note 35 - Cost of raw materials and components consumed
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	3,190	2,185
Add: Purchases (Refer note 59)	31,474	37,224
Less: Closing stock	2,044	3,190
Total	32,620	36,219

Note 36 - Purchase of stock-in-trade
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Welding products	179	203
Welding accessories	328	325
Chemicals and minerals	440	125
Total	947	653

Note 37 - Changes in inventories of finished goods, stock-in-trade and work-in-progress
(Rs. in lakhs)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
At the beginning of the year				
Finished goods (including Right to receive inventory)	1,749		1,998	
Stock-in-trade	113		108	
Work-in-progress	902	2,764	600	2,706
At the end of the year				
Finished goods (including Right to receive inventory)	2,781		1,749	
Stock-in-trade	109		113	
Work-in-progress	1,063	3,953	902	2,764
Total		(1,189)		(58)

Note 38 - Employee benefits expense
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	3,209	3,486
Contribution to provident and other funds [Refer note 48(I)]	226	297
Contribution to gratuity [Refer note 48(II)]	81	47
Staff welfare expenses	254	424
Total	3,770	4,254

Note 39 - Finance costs

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on borrowings	486	683
Bill discounting charges	1	37
Interest on lease liability [Refer note 45]	11	11
Interest on supplies	132	115
Interest on others	11	15
Total	641	861

Note 40 - Other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Manufacturing and other expenses [Refer note 40(a)]	2,674	2,949
Electricity expenses	16	26
Rent [Refer note 45]	10	31
Freight	687	825
Legal and professional fees	331	220
Insurance	44	50
Repairs and maintenance - others	174	133
Travelling, conveyance and vehicle expenses	283	704
Directors fees [Refer Note 49]	8	6
Telephone, postage and telegram	113	140
Rates and taxes	53	78
Advertisement and sales promotion expenses	33	145
Commission paid	46	-
Bad debts written off	757	36
Provision for doubtful debts	72	541
Provision for doubtful deposit and advances	-	35
Provision for unbilled revenue	-	52
Donations	-	1
Fair value change of financial asset measured at FVTPL	-	59
Loss on sale of property, plant and equipment (net)	53	10
Assets written off/ discarded	79	-
Other assets written off	103	-
Printing and stationery	57	86
Auditors remuneration [Refer note 40(b)]	35	43
Corporate social responsibility	39	55
Selling and distribution incentive	160	249
Bank charges	175	143
Miscellaneous expenses	608	865
Total	6,610	7,482

Note 40(a) - Manufacturing and other expenses
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores, spare parts and scraps	602	644
Power and fuel	1,021	1107
Repairs to machinery	101	93
Repairs to building	23	43
Payment to contract labours	517	578
Other manufacturing expenses	410	484
Total	2,674	2949

Note 40(b) - Auditors' remuneration (excluding taxes)
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit fees (including limited review fees)	25	33
Tax audit fees	7	7
Certification and other matters	2	1
Reimbursement of out of pocket expenses	1	2
Total	35	43

Note 41 - Tax (credit)/expense
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax for the year (Refer note 59)	139	989
Additional/(Reversal) of provision for earlier years	19	(128)
	158	861
Deferred tax		
Change in deferred tax assets	(481)	(116)
Change in deferred tax liabilities	(45)	(304)
	(526)	(420)
Total	(368)	441

Notes :

(a) The reconciliation of estimated income tax (credit)/expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2021 and 31 March 2020:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
(Loss)/Profit before tax as per books	(1,406)	3,053
Applicable income tax rate	25.17%	25.17%
Estimated income tax (credit)/expenses	(354)	769
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income:		
Actuarial gains on defined benefit obligations	(18)	50
Depreciation	(63)	(219)
Assets and deposits written off	38	24
Disallowance u/s 43B	21	(16)
Deduction u/s 35(2AB)	-	(109)
Permanent disallowances	13	17
Tax in respect of earlier years	19	(128)
Financial assets measured at fair value through profit and loss	(2)	9
Provision for doubtful debts	(26)	7
Provision for Investment in subsidiary company	35	-
Capital gains on sale of Long term investments	4	-
Other items	(35)	37
Reported income tax (credit)/expenses	(368)	441

(b) Deferred tax related to the following:

Particulars	(Rs. in lakhs)				
	As at 31 March 2021	Recognised through profit and loss and OCI	As at 31 March 2020	Recognised through profit and loss and OCI	As at 1 April 2019
Deferred tax assets on account of:					
Employee benefits	151	(6)	157	27	130
Provision for doubtful debts	673	455	218	129	89
Deferment of revenue	36	10	26	-	26
Total deferred tax assets	860	459	401	156	245
Deferred tax liabilities on account of:					
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	779	(50)	829	(188)	1,017
Capital expenditure for scientific research	-	-	-	(109)	109
Financial asset measured at FVTPL*	1	1	0	(5)	5
Total deferred tax liabilities	780	(49)	829	(302)	1,131
Deferred tax assets/(liabilities)(net)	80	508	(428)	458	(886)

* Amount below 0.50 lakh have been rounded off.

Note 42 - Other comprehensive income
(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Items that will not be reclassified to profit or loss		
Actuarial gains/(loss) on defined benefit obligations	70	(197)
Income tax effect on above	(18)	50
Total	52	(147)

Note 43 - Contingent Liabilities not provided for :
(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2021: Rs 392 lakhs; 31 March 2020: Rs 392 lakhs; 1 April 2019: Rs 392 lakhs)	1,199	1,077	1,077
(b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2021: Rs 900 lakhs; 31 March 2020: Rs 91 lakhs; 1 April 2019: Rs. 91 lakhs)	922	2,385	2,385
(c) Disputed income tax as the matters are in appeal (advance paid 31 March 2021: Rs 13 lakhs; 31 March 2020: Rs. 13 lakhs; 1 April 2019: Rs. 13 lakhs)	63	63	63
(d) Custom Duty refund	46	46	46
(e) Bank guarantees	2,202	2,105	2,369
(f) On account of pending C-forms	-	524	620
(g) Other matters	111	121	113
(h) Provident fund Based on the Honorable Supreme Court judgment dated 28 February 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. Past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgment to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.	Amount not determinable	Amount not determinable	Amount not determinable

Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

Note 44 - Estimated amount of contracts remaining to be executed

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
On Capital account and not provided for (net of advances)	26	189	298

Note 45- Leases: Ind AS 116

Effective 1 April 2019, the Group had adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group recognized right-of-use assets and lease liabilities amounting to Rs. 101 lakhs (31 March 2020: Rs. 110 lakhs) and Rs. 119 lakhs (31 March 2020: Rs. 126 lakhs) respectively. During the year ended, the Group had recognized interest expense on lease amounting to Rs. 11 lakhs (31 March 2020: Rs. 11 lakhs) and depreciation on right-of-use assets amounting to Rs. 16 lakhs (31 March 2020: Rs. 20 lakhs).

Right-of-use assets:

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

(Rs. in lakhs)

Particulars	Gross carrying value	Accumulated depreciation [refer note (a) below]	Net carrying value
As at 31 March 2021			
Ownership premises	126	36	90
Computers	11	-	11
Total	137	36	101
As at 31 March 2020			
Ownership premises	130	20	110
Computers	-	-	-
Total	130	20	110

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	130	130
Addition/deletion [refer notes (b) below]	11	-
Deductions during the year [refer notes (c) below]	(4)	-
Gross carrying value	137	130
Accumulated depreciation [refer notes (a) below]	(36)	(20)
Net carrying Value	101	110

Lease liabilities:

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

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Non-current lease liabilities [refer note 24]	106	113
Current lease liabilities [refer note 30]	13	13
Total	119	126

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

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Balance at the beginning of the year	126	129
Addition/deletion [refer notes (b) below]	11	-
Deductions during the year [refer notes (c) below]	(4)	-
Finance cost accrued during the year [refer notes (c) below]	11	11
Revaluation of lease liability	(4)	10
Payment of lease liabilities	(21)	(24)
Total	119	126

Notes:

- The aggregate depreciation expense on ROU assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- During the current year 2020-21 in Right-of-use assets and lease liabilities, there is addition of Rs 11 lakhs towards laptops taken on rental basis.
- During the current year 2020-21 in Right-of-use assets and lease liabilities, there is deduction of Rs 4 lakhs belongs to Chennai leased office which has been vacated during the year.
- The accrued finance cost on lease liabilities is included under "Finance cost" in the statement of Profit and Loss.

Lease payments not recognised as a liability

The Group has opted not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). The Group has taken short term leases with a lease term of 12 month or less and the aggregate amount of operating lease rent debited to statement of profit and loss during the year is Rs. 10 lakhs (31 March 2020: Rs 31 lakhs). [Refer note 40]

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

(Rs. in lakhs)

Particulars	Minimum lease payment		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Amount due within one year	21	25	61
Amount due from one year to five years	88	68	74
Amount due from five years and above	67	102	83
Total	176	195	218

Note 46- Lease rental

The Group has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is Rs. 92 lakhs (31 March 2020: Rs. 103 lakhs). [Refer note 34]

Particulars	(Rs. in lakhs)		
	Minimum lease payment		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Amount due within one year	124	101	33
Amount due from one year to five years	254	226	115
Amount due from five years and above	37	100	-
Total	415	427	148

Note 47- Management has made an assessment of the impact of COVID 19, in preparation of these financial statements. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of assets of the Group, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial results are required. As the lock down is lifted in India, the business activities are slowly coming back to normalcy and the new projects have also gradually started. This has resulted in slowly picking up the demand for Welding products. The performance in 3rd and 4th quarter has been significantly better than 2nd and 1st quarter of the current financial year. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with it, however no significant impact is envisaged on the operations, as of now bearing unforeseen circumstances.

Note 48 - Employee benefits

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

Brief description of the plans:

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

I. Defined Contribution Plan:

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

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

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Employer's Contribution to Superannuation	36	40
Employer's contribution to provident fund	179	244
Employer's Contribution to Employees state insurance fund	11	13
Total	226	297

* included in Note 38- 'Employee benefits expenses'

II. Defined Benefit Plan :
(a) Contribution to Gratuity fund (funded scheme):

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

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) Actuarial assumptions			
Discount rate (per annum)	6.35%	6.30%	7.20%
Salary escalation rate (per annum)	7.00%	7.00%	7.50%
Attrition rate			
21 years to 44 years (per annum)	18.22%	18.22%	18.22%
45 years and above (per annum)	8.00%	8.00%	8.00%
The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as, supply and demand factors in the employment market.			
(ii) Assets information:			
The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations.			
(iii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	466	361	327
Current service cost	59	36	35
Interest on defined benefit obligation	27	21	22
Remeasurements during the period due to:			
Actuarial loss/(gain) arising from change in financial assumptions	(1)	11	(3)
Actuarial loss/(gain) arising on account of experience changes	(42)	186	(3)
Benefits paid	(52)	(149)	(17)
Present Value of obligation at the end of the year	457	466	361
(iv) Changes in the Fair value of Plan Assets			
Fair value of plan assets at beginning of the year	80	189	182
Interest on plan assets	4	10	13
Remeasurements during the period due to:			
Actual return on plan assets less interest on plan assets*	27	(1)	0
Contributions by employer	12	30	10
Benefits paid	(52)	(149)	(16)
Fair Value of Plan Assets at the end of the year	71	79	189

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(v) Assets and liabilities recognised in the balance sheet			
Present value of the defined benefit obligation at the end of the year	457	466	361
Less: Fair value of plan assets at the end of the year	(71)	(79)	(189)
Net liability recognised	386	387	172
Recognised under provisions (Refer Note 25 and Note 32)			
Non current provisions	359	387	172
Current provisions	27	-	-

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	59	36
Interest on net defined benefit liability / (asset)	22	11
Net gratuity cost recognised in current year	81	47
Included in note 38 'Employee benefits expense'		
(vii) Expenses recognised in other comprehensive income		
Remeasurements during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(1)	11
Actuarial loss/(gain) arising on account of experience changes	(42)	186
Actuarial loss/(gain) arising on account of Actual return on plan assets less interest on plan assets*	(27)	0
Net cost recognised in other comprehensive income	(70)	197

* Amounts below Rs 0.50 lakh have been rounded off.

(viii) Sensitivity Analysis:

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

Particulars	31 March 2021		31 March 2020	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	(2.94%)	3.07%	(2.84%)	2.96%
Impact of decrease in 50 bps on DBO	3.10%	(2.93%)	2.96%	(2.83%)

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

(ix) Maturity Pattern:

Maturity Profile	(Rs. in lakhs)	
	31 March 2021	31 March 2020
Expected benefits for year 1	98	69
Expected benefits for year 2	68	67
Expected benefits for year 3	52	64
Expected benefits for year 4	49	51
Expected benefits for year 5	38	49
Expected benefits for year 6	36	72
Expected benefits for year 7	34	31
Expected benefits for year 8	50	30
Expected benefits for year 9	28	46
Expected benefits for year 10 and above	245	238

Note:

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

III. Compensated absences

- An amount of Rs. 15 lakhs (31 March 2020: Rs 128 lakhs) has been recognised as an expense in the statement of profit and loss account and included in "Salaries, wages and bonus" under Note 38 "Employee benefits expenses".
- Balance sheet reconciliation

Particulars	(Rs. in lakhs)		
	Short term current provisions		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Liability as per actuarial valuation	213	227	199

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

Defined Benefit obligations and employer contributions (Active members)	Gratuity	Compensated Absences
As at 31 March 2021	518	518
As at 31 March 2020	558	558
As at 1 April 2019	546	546

* deferred members - Nil (2019-20 : Nil, 2018-19 : Nil)

* retired members - Nil (2019-20 : Nil, 2018-19 : Nil)

(These numbers are as per actuarial valuation report).

Risk Exposure - Asset Volatility

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Note 49 - Related Party Disclosure:

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

(I) List of related parties and relationship:

Relationship	Name of the Persons / Company
(i) Holding Company:	J. B. Advani & Company Private Limited
(ii) Subsidiary Company and fellow subsidiaries:	Ador Powertron Limited (Subsidiary of J. B. Advani & Company Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Fontech Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Multiproducts Limited (Subsidiary of J.B. Advani & Company Private Limited)
(iii) Other related party:	1908 E-Ventures Private Limited (Step down subsidiary of J. B. Advani & Company Private Limited) Executive Mantra Search Services Private Limited (Common director)
(iv) Key management personnel:	Ms. A. B. Advani- Ex- Executive Chairman (upto 18 November 2019) Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f 19 November 2019) Mr. A. T. Malkani - Managing Director (Executive) (w.e.f 14 September 2020) Mr. S. M. Bhat - Ex- Managing Director (upto 7 September 2020) Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive) Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020) Mr. P. K. Gupta - Director (Independent & Non-executive) Mr. R. N. Sapru - Director (Independent & Non-executive) Mr. K. Digvijay Singh - Director (Independent & Non-executive) Mr. G. M. Lalwani - Director (Independent & Non-executive) Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary Mr. G. A. Patkar - Ex- Chief Financial Officer (upto 9 September 2020) Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021)

(II) Transactions during the year:

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Sale of goods		
- Holding Company		
J. B. Advani & Company Private Limited	37	6
- Fellow subsidiaries		
Ador Powertron Limited*	19	0
Ador Fontech Limited	154	171
	210	177
Purchase of goods and services received		
- Holding Company		
J. B. Advani & Company Private Limited	641	630
- Fellow subsidiaries		
Ador Powertron Limited	7	-
Ador Fontech Limited	45	6
- Other related party		
1908 E-Ventures Private Limited*	1	0
Executive Mantra Search Services Private Limited	6	-
	700	636
Rent received		
- Holding Company		
J. B. Advani & Company Private Limited	24	27
- Fellow subsidiaries		
Ador Fontech Limited	1	1
	25	28
Recovery of expenses (received)		
- Holding Company		
J. B. Advani & Company Private Limited	8	9
- Fellow subsidiaries		
Ador Powertron Limited*	0	1
Ador Fontech Limited*	1	0
	9	10
Reimbursement of expenses (paid)		
- Holding Company		
J. B. Advani & Company Private Limited	6	7
	6	7
Remuneration paid		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer notes (5) below)	-	178
Ms. N. M. Nagpal (Executive Chairman)	116	121
Mr. S. M. Bhat (Ex- Managing Director) (Refer notes (1) below)	47	149
Mr. A. T. Malkani (Managing Director) (Refer notes (2) below)	61	-
Mr. D. A. Lalvani (Whole Time Director)	127	46

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	38	36
Mr. G. A. Patkar (Ex- Chief Financial Officer) (Refer notes (3) below)	13	32
Mr. Surya kant Sethia (Chief Financial Officer) (Refer notes (4) below)	4	-
	406	562
Recovery of Commission for previous years		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer notes (5) below)	3	-
Ms. N. M. Nagpal (Executive Chairman)	4	-
Mr. D. A. Lalvani (Whole Time Director)*	0	-
	7	-
Professional fees and reimbursement		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer notes (5) below)	72	26
	72	26
Sitting fees		
- Key Management Personnel		
Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)	1	-
Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020)	1	1
Mr. P. K. Gupta - Director (Independent & Non-executive)	2	1
Mr. R. N. Sapru - Director (Independent & Non-executive)	1	2
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	2	1
Mr. G. M. Lalwani - Director (Independent & Non-executive)	1	1
	8	6
Commission		
- Key Management Personnel		
Ms. A. B. Advani (Ex- Executive Chairman) (Refer notes (5) below)	-	3
Ms. N. M. Nagpal (Executive Chairman)	-	5
Mr. S. M. Bhat (Ex- Managing Director) (Refer notes (1) below)	-	8
Mr. D. A. Lalvani (Whole Time Director)	-	5
Mr. R. A. Mirchandani - Director (Non-executive)	-	5
Mr. A. T. Malkani (Managing Director) (Refer notes (2) below)	-	5
Ms. T. H. Advani - Director (Non-executive)	-	2
Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020)	-	5
Mr. P. K. Gupta - Director (Independent & Non-executive)	-	5
Mr. R. N. Sapru - Director (Independent & Non-executive)	-	5
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	-	5
Mr. G. M. Lalwani - Director (Independent & Non-executive)	-	5
Mr. S. G. Mirchandani - Director (Independent & Non-executive) (upto 7 February 2020)	-	4
	-	62

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

Description of the nature of transactions	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables			
- Holding Company			
J. B. Advani & Company Private Limited	2	7	-
- Fellow subsidiaries			
Ador Powertron Limited	22	-	-
Ador Fontech Limited	10	10	-
	34	17	-
Rent deposit			
- Holding Company			
J. B. Advani & Company Private Limited	14	14	-
	14	14	-
Other receivables			
- Holding Company			
J. B. Advani & Company Private Limited	-	1	-
- Fellow subsidiaries			
Ador Powertron Limited*	0	1	-
Ador Fontech Limited	0	0	0
- Key Management Personnel			
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	1	-	-
	1	2	0
Loans			
- Fellow subsidiaries			
Ador Powertron Limited*	0	-	-
Ador Fontech Limited*	-	0	-
- Key Management Personnel			
Mr. V. M. Bhide (Corp. Admin, IA, KM, Legal & Company Secretary)	-	1	4
	0	1	4
Trade payables			
- Holding Company			
J. B. Advani & Company Private Limited	113	121	138
- Fellow subsidiaries			
Ador Powertron Limited*	2	1	0
Ador Fontech Limited	3	-	1
- Other related party			
1908 E-Ventures Private Limited*	0	0	-
	118	122	139
Employee benefits payable			
- Key Management Personnel			
Mr. A. T. Malkani (Managing Director) (Refer notes (2) below)	11	-	-
Mr. D. A. Lalvani (Whole Time Director)	2	-	-
	13	-	-

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

1. Mr. S. M. Bhat (DIN:05168265) had resigned from the office of / position of the Managing Director/ Employee/ Director of the Company with effect from 7 September 2020. The Board of Directors accepted his resignation with immediate effect and relieved him from his duties as the Managing Director.
2. Mr. Aditya T. Malkani (DIN:01585637) has been appointed as the Managing Director of the Company with effect from 14 September 2020 for a period of three (3) years by the Board of Directors of the Company.
3. Mr. Girish Anant Patkar had resigned from the office of / position of the Chief Financial Officer & Key Managerial Personnel of the Company with effect from 9 September 2020.
4. Mr. Surya kant Sethia who had been given Interim charge of CFO, post resignation of Mr. Girish Anant Patkar, was appointed as Chief Financial Officer & Key Managerial Personnel of the Company with effect from 8 February 2021.
5. Ms. Aruna B. Advani, (DIN 00029256) Executive Chairman, superannuated from the Board of the Company on 18th November, 2019, on attaining the age of 65. Pursuant to the succession planning at the Company, the Board, on recommendation of the Nomination and Remuneration Committee, re-designated Mrs. Ninotchka Malkani Nagpal (DIN: 00031985), Whole-Time Director, as the Executive Chairman w.e.f. 19 November 2019, considering her expertise in the area of Financial Management, her business foresight and her rich, long-term association with the Company for over 20 years.
6. Excludes gratuity and compensated absences provided on the basis of actuarial valuation on an overall company basis.
7. All the above transactions with related parties are net of Goods and Service Tax.

Note 50 - Segment reporting

Post change in top management, the Group's chief operating decision maker (CODM) examines the Group's performance and has identified three reportable segments of its business instead of two segment as reported earlier:

- (i) Consumables
- (ii) Equipment and automation
- (iii) Projects

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the products/ process
- (iii) The organisation structure as well as differential risks and returns of these segments.

Types of products and services in each business segment:

Business Segment	Types of products and services
a) Consumables	Electrodes, wires, agency items related to consumables from Silvassa, Raipur and Chennai plant.
b) Equipment and automation	Equipment, spares, cutting products and agency items related to equipment, cutting products etc. from Chinchwad plant.
c) Project	Project Engineering Business (PEB) Division is a multi-disciplined SBU that provides services like design, manufacture, erection & commissioning, mechanical, electrical and instrumentation of process packages, process equipment, flare system & components, and EPC contracts from Chinchwad plant.

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

A) Business segment
(Rs. in lakhs)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment revenue						
Consumables	35,233	(13)	35,220	40,502	(111)	40,391
Equipment and automation	7,125	(36)	7,089	7,585	(151)	7,434
Projects	2,473	(14)	2,459	4,814	(3)	4,811
Total revenue	44,831	(63)	44,768	52,901	(265)	52,636
2. Segment result						
(a) Segment result before exceptional items						
Consumables			4,268			6,444
Equipment and automation			573			379
Projects			(2,496)			(2,089)
Unallocable			(1,019)			(1,271)
			1,326			3,463
(b) Exceptional items (net) (loss)						
Consumables			(236)			-
Equipment and automation			(575)			-
Projects			(1,549)			-
Unallocable			(37)			-
			(2,397)			-
(c) Segment result after exceptional items						
Consumables			4,032			6,444
Equipment and automation			(2)			379
Projects			(4,045)			(2,089)
Unallocable			(1,056)			(1,271)
Total Segment result			(1,071)			3,463
Interest and finance charges (unallocable)			(335)			(410)
(Loss)/Profit before tax			(1,406)			3,053
Tax (credit)/expenses			368			(441)
Net (loss)/profit after tax			(1,038)			2,612

(Rs. in lakhs)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
3. Capital expenditure						
Consumables			353			1,494
Equipment and automation			123			211
Projects			27			138
Unallocated			52			98
Total capital expenditure			555			1,941
4. Depreciation and amortisation						
Consumables			660			599
Equipment and automation			304			328
Projects			55			51
Unallocated			98			97
Total depreciation and amortisation			1,117			1,075

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Other information			
Segment assets			
Consumables	20,135	22,115	19,750
Equipment and automation	7,682	8,321	8,211
Projects	4,996	9,697	10,920
Assets classified as held for sale (unallocable)	106	-	-
Unallocated	4,602	3,613	3,245
Total assets	37,521	43,746	42,126
Segment liabilities			
Consumables	5,712	5,035	4,330
Equipment and automation	1,918	1,790	2,025
Projects	4,152	4,759	7,686
Unallocated	1,985	7,422	3,678
Total liabilities	13,767	19,006	17,719
Capital employed			
Consumables	14,423	17,080	15,420
Equipment and automation	5,764	6,531	6,186
Projects	844	4,938	3,234
Unallocated	2,723	(3,809)	(433)
Total capital employed	23,754	24,740	24,407

B) Geographical segment

Revenue from external customers:

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Within India	43,236	49,095
Outside India	1,532	3,541
Total	44,768	52,636

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

Overseas Segment includes sales and services rendered to customers located outside in India.

Non-current assets:

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

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Within India	13,927	14,534	13,799
Outside India	106	118	28
Total	14,033	14,652	13,827

C) Other disclosures

- The Group is currently focused on three business segments : Consumables, Equipment and Automation, and Projects. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- The geographical information considered for disclosure are :
 - Sales within India
 - Sales outside India
- The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Note 51 - Fair value measurements

Financial assets and liabilities

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

Particulars	(Rs. in lakhs)					
	31 March 2021		31 March 2020		1 April 2019	
	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						
Loans	-	175	-	184	-	161
Other non-current financial assets	-	723	-	687	-	531
Financial Assets - Current						
Investments	1,068	-	375	-	371	-
Trade receivables	-	10,543	-	12,978	-	8,460
Cash and cash equivalents	-	1,704	-	518	-	2,681
Other bank balances		112		138		133
Loans	-	115	-	157	-	160
Other current financial assets	-	193	-	4,306	-	6,479
Financial Liabilities - Non-current						
Other non-current financial liabilities	-	136	-	145	-	23
Financial Liabilities - Current						
Borrowings	-	2,800	-	8,191	-	6,499
Trade payables	-	7,394	-	7,284	-	7,638
Other financial liabilities	-	1,090	-	1,733	-	1,269

All the above amounts are net of provisions for impairments.

I. Fair value hierarchy

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

(a) recognised and measured at fair value and,

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

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

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

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

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

(Rs. in lakhs)

Particulars	Investment in Mutual funds	Investment in Bonds	Total
As at 31 March 2021			
Level 1	1,038	-	1,038
Level 2	-	30	30
<u>As at 31 March 2020</u>			
Level 1	325	-	325
Level 2	-	50	50
<u>As at 1 April 2019</u>			
Level 1	321	-	321
Level 2	-	50	50

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

(Rs. in lakhs)

Particulars	31 March 2021		31 March 2020		1 April 2019	
	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial assets - Non-current						
Loans	175	175	184	184	161	161
Other financial assets	723	723	687	687	531	531
Financial liabilities - Non-current						
Other financial liabilities	136	136	145	145	23	23

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

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

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

Note 52- Financial risk management

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

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

A) Credit risk

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

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

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

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

The table below provides details regarding past dues receivables as at each reporting date:

Particulars	(Rs. in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Upto 1 month	6,946	8,030
1-2 months	1,122	1,923
2-3 months	721	781
3-6 months	565	1,241
6-12 months	592	727
More than one year	597	276
Total	10,543	12,978
Provision for bad and doubtful debts	1,856	798

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Opening provision	798	257
Add: Additional provision made	1,611	541
Less: Utilised during the year	(553)	-
Closing provisions	1,856	798

B) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement. The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

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

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

As at 31 March 2021		(Rs. in lakhs)			
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	15	29	139	183
Financial Liabilities - Current					
Borrowings	2,800	-	-	-	2,800
Trade payables	7,394	-	-	-	7,394
Other financial liabilities	1,090	-	-	-	1,090
Total	11,284	15	29	139	11,467

As at 31 March 2020		(Rs. in lakhs)			
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	30	67	106	203
Financial Liabilities - Current					
Borrowings	8,191	-	-	-	8,191
Trade payables	7,284	-	-	-	7,284
Other financial liabilities	1,733	-	-	-	1,733
Total	17,208	30	67	106	17,411

As at 1 April 2019					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Other non-current financial liabilities	-	10	15	8	33
Financial Liabilities - Current					
Borrowings	6,499	-	-	-	6,499
Trade payables	7,638	-	-	-	7,638
Other financial liabilities	1,269	-	-	-	1,269
Total	15,406	10	15	8	15,439

C) Market risk

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

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

(i) Foreign currency risk

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

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

The Company's exposure to unhedged foreign currency risk at the end of reporting period are as under:

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

(Rs. in lakhs)

Particulars	As at 31 March 2020				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	584	-	178	-	762
Unbilled revenue	-	-	3,787	-	3,787
Bank balances	84	25	-	-	109
Derivative contracts					
Foreign exchange forward contracts*	(2,201)	-	-	-	(2,201)
Net exposure to foreign currency risk (assets)	(1,533)	25	3,965	-	2,457
Financial liabilities					
Trade payables	266	-	1,321	4	1,591
Lease liabilities	-	109	-	-	109
Net exposure to foreign currency risk (liabilities)	266	109	1,321	4	1,700

(Rs. in lakhs)

Particulars	As at 1 April 2019				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	1,288	-	-	-	1,288
Unbilled revenue	-	-	6,131	-	6,131
Bank balances	44	29	-	-	73
Derivative contracts					
Foreign exchange forward contracts*	(3,074)	-	-	-	(3,074)
Net exposure to foreign currency risk (assets)	(1,742)	29	6,131	-	4,418
Financial liabilities					
Trade payables	520	-	1,995	55	2,570
Net exposure to foreign currency risk (liabilities)	520	-	1,995	55	2,570

* The Forward contracts are hedged in terms of USD Dollar against underlyings which include both USD and Kuwaiti Dinar.

Sensitivity Analysis

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

(Rs. in lakhs)

Currencies	31 March 2021		31 March 2020		1 April 2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	20	(20)	(90)	90	(113)	113
AED	(4)	4	(4)	4	1	(1)
KWD	(0)	0	132	(132)	207	(207)
EUR	(0)	0	(0)	0	(3)	3

(ii) Price Risk

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

To manage its price risk arising from the investment, the Group has invested in the mutual funds and bonds after considering the risk and return profile of the said investments i.e. the debt profile of the investments indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

Sensitivity Analysis

Particulars	(Rs. in lakhs)		
	31 March 2021	31 March 2020	1 April 2019
Impact on profit before tax for 5% increase in NAV/ Price	53	19	19
Impact on profit before tax for 5% decrease in NAV/ Price	(53)	(19)	(19)

Note 53 - Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

A. The capital composition is as follows:

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a) Net debt [Refer Note (60)]	1,231	7,831	3,859
(b) Equity	23,754	24,740	24,407
(c) Gearing ratio (a/b)	0.05	0.32	0.16

B. Dividends

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a) Final dividend			
Final dividend - Nil for each fully paid up share for 31 March 2020 (31 March 2019- Rs. 6.50/- per share for each fully paid share)	-	884	680
Dividend distribution tax on final dividend	-	182	140

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(b) Dividends not recognised at the end of the reporting year			
In addition to the above dividend, since year end the directors have not recommended the payment of a final dividend - Nil (31 March 2020 - Nil; 31 March 2019 - Rs. 6.50/-) per fully paid equity share.	-	-	884
Dividend distribution tax on proposed dividend	-	-	182
(c) Interim dividends recognised at the end of the reporting year			
In addition to the above dividend, In previous year 31 March 2020 the directors had declared the payment of an interim dividend of Rs. 6.50/- per fully paid equity share. This interim dividend is declared after approval of directors present in the past board meeting held on 14 February 2020.	-	884	-
Dividend distribution tax on interim dividend	-	182	-

Note 54 - Earnings per share

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Net (loss)/ Profit after tax for the year (Rs. in lakhs)	(1,038)	2,612
(Loss)/ Profit attributable to equity share holders (Rs. in lakhs)	(1,038)	2,612
Weighted Average Number of equity shares outstanding during the year	1,35,98,467	1,35,98,467
Basic and Diluted Earnings Per Share (Rs.)	(7.64)	19.20
Face Value per Share (Rs.)	10.00	10.00

Note 55 - Details of dividend remitted to non-resident shareholders in foreign currency:

Particulars	(Rs. in lakhs)		
	Year ended 31 March 2021	Year ended 31 March 2020	
Financial year ended for which dividend is remitted	2020-21	2019-20	2018-19
Dividend Type	-	Interim dividend	Final dividend
Number of non-resident shareholders	-	59	61
Number of equity shares held	-	7,941	8,341
Amount of dividend remitted (Rs. in lakhs)	-	0.52	0.54

Note 56 - Assets Pledged as security:

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

Particulars	(Rs. in lakhs)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current Assets			
Financial Assets			
Investments	965	282	341
Trade Receivables	10,533	12,977	8,451
Cash and cash equivalents	1,688	502	2,667
Other bank balances	112	138	133
Loans	114	157	159
Other financial assets	193	4,307	6,479
Non Financial Assets			
Inventories	6,246	6,221	5,159
Current tax assets, net	-	439	-
Other current assets	1,217	1,998	2,893
Total Current Assets Pledged as security	21,068	27,021	26,282
Non Current Assets			
Plant and Machinery	4,026	4,461	3,630
Land and building at Silvassa plant	1,770	1,836	1,877
Land and building at Chennai plant	393	413	433
Other moveable fixed assets	1,032	1,110	1,075
Total Non-current Assets Pledged as security	7,221	7,820	7,015
Total Assets Pledged as security	28,289	34,841	33,297

Note 57 - Revenue expenditure incurred during the year on research and development amounts to Rs. 290 lakhs (31 March 2020: Rs. 308 lakhs) (including depreciation Rs. 28 lakhs (31 March 2020: Rs. 29 lakhs) and capital expenditure thereof amounts to Rs. 8 lakhs (31 March 2020: Rs. 13 lakhs).

Note 58- Revenue from contracts with customers: Ind AS 115

The Group is engaged in providing welding Products Technologies and Services, customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries.

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregated revenue information

The Group has three reportable segments of its business :

- (i) Consumables
- (ii) Equipment and automation
- (iii) Projects

The Group's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2021 and 31 March 2020 are as follows:

Sr. No	Particulars	(Rs. in lakhs)	
		Year ended 31 March 2021	Year ended 31 March 2020
1	<u>Goods transferred at a point in time</u>		
	(i) Consumables	35,219	40,391
	(ii) Equipment and automation	7,090	7,434
2	<u>Goods transferred over time</u>		
	(iii) Projects	2,459	4,811
	Total	44,768	52,636

b)(i) Contract balances information

Particulars	(Rs. in lakhs)		
	Trade receivables	Contract Assets (Refer note (1) below)	Contract Liabilities (Refer note (2) below)
Balance as at 1 April 2019	8,460	8,246	573
Net Increase/(decrease)	4,518	(3,460)	(177)
Balance as at 31 March 2020	12,978	4,786	396
Net Increase/(decrease)	(2,435)	(4,472)	111
Balance as at 31 March 2021	10,543	314	507

- (1) The significant changes in contract Assets includes contracts are billed during the year for an amount of Rs. 3,787 lakhs (31 March 2020: Rs. 4,444 lakhs) and unbilled revenue written off during the year for an amount of Rs. 1,320 lakhs.
- (2) The significant changes in contract liabilities includes customer and distributors advance during the year increased by Rs. 111 lakhs (31 March 2020 decreased by Rs. 177 lakhs).
- (ii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2021 and 31 March 2020 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per contracted price	44,968	52,822
<u>Adjustments:</u>		
Extended warranties	-	-
Significant financing component	-	-
Sales return	(200)	(186)
Discount	-	-
Revenue from contract with customers	44,768	52,636

c) Performance obligations

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as on 31 March 2021 and 31 March 2020 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Revenue expected to be recognised	2,656	3,284

Note 59- Impact of restatement: Ind AS 8

During the current year, the Group was made aware of certain liquidated damages and project cost overrun with respect to the delay in the execution of an overseas Engineering Procurement and Constructions (EPC) project. The management believes that the impact of this should be restated in the respective lines on the financial statements of the previous periods. The restatement is on account of omissions of the past, which have now been taken into consideration in the relevant accounting periods to which they relate to. Accordingly, the impact on Earnings Per Share (EPS) has been considered.

Pursuant to the impact of aforesaid changes, the Group has restated the financial statements for the comparative periods, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. The Retained Earnings (other equity) as at 1 April 2019, within the Statement of Changes in Equity, have also been restated to adjust the impact of such adjustments which relate to the prior periods. The impact of aforesaid restatements has been summarized as follows:

Impact on Statement of Profit and Loss:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2020	
Revenue from operations	(18)	
Other income	(108)	
Cost of raw materials and components consumed	193	
Other expenses	-	
Loss before tax	(319)	
Tax benefits	(54)	
Loss after tax	(265)	
Total comprehensive loss for the period (after tax)	(265)	
Basic and diluted earnings/(loss) per share	(1.95)	

(figures in bracket represents decrease)

Impact on Balance Sheet:

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 1 April 2019
Other current financial assets	(1,838)	(1,709)
Non-current tax assets, net	1,041	926
Trade payables	1,202	949
Retained Earnings	(1,998)	(1,733)

(figures in bracket represents decrease)

Note 60- Net debt reconciliation

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash and cash equivalents	1,704	518	2,681
Borrowings	(2,800)	(8,191)	(6,499)
Lease liability	(119)	(126)	-
Interest Payable	(16)	(32)	(41)
Net debt	(1,231)	(7,831)	(3,859)

(Rs. in lakhs)

Particulars	Cash and cash equivalents	Borrowings	Lease liability	Interest Payable	Total
Net debt as at 1 April 2019	2,681	(6,499)	-	(41)	(3,859)
Cash flows	(2,163)	(1,692)	-	-	(3,855)
Adjustment on transition to Ind AS 116 (Refer Note 45)	-	-	(126)	-	(126)
Finance costs recognised	-	-	(11)	(850)	(861)
Finance costs paid	-	-	11	859	870
Net debt as at 31 March 2020	518	(8,191)	(126)	(32)	(7,831)
Cash flows	1,186	5,391	-	-	6,577
Leases	-	-	7	-	7
Finance costs recognised	-	-	(11)	(631)	(642)
Finance costs paid	-	-	11	647	658
Net debt as at 31 March 2021	1,704	(2,800)	(119)	(16)	(1,231)

Note 61- Exceptional items :

(Rs. in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
1. Balances with government authorities-	848	-
The Group was carrying certain amount as receivables from various tax authority. During the year Group has evaluated its potential recovery considering the various factors like movement in collection of C forms, Assessment order received during the year etc. and accordingly the management has created a provision of Rs. 819 lakhs and written off of Rs 29 lakhs.		
2. Projects	1,549	-
The Management has evaluated the recoverability of the receivables from its various projects and created the appropriate provisions in the books amounting to Rs. 1,549 lakhs which includes Rs. 1,305 lakhs receivables from a project executed in the Kuwait, for which appropriate actions has been taken by the Group and the matter is pending in the Court of Law of Kuwait.		
Total	2,397	-

Note 62- Interest in other entities

(a) Subsidiaries

The following details pertain to the components of the group:

Name of entities	% of effective holding as at			Net Assets, i.e, total assets minus total liabilities		Share in (loss)/ profit		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
	31 March 2021	31 March 2020	1 April 2019	% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated OCI	Amount	% of consolidated OCI	Amount
Parent:											
Ador Welding Limited											
31 March 2021	-	-	-	99.95%	23,743	115.51%	(1,199)	100.00%	52	116.33%	(1,147)
31 March 2020	-	-	-	100.61%	24,890	98.09%	2,562	100.00%	(147)	97.97%	2,415
1 April 2019	-	-	-	100.82%	24,607	-	-	-	-	-	-
Subsidiary:											
Ador Welding Academy Private Limited											
31 March 2021	100%	-	-	0.94%	224	-2.02%	21	-	-	-2.13%	21
31 March 2020	-	100%	-	0.82%	203	1.91%	50	-	-	2.03%	50
1 April 2019	-	-	100%	0.63%	153	-	-	-	-	-	-
Intercompany Elimination and Consolidation Adjustments											
31 March 2021	-	-	-	-0.90%	(213)	-13.49%	140	-	-	-14.20%	140
31 March 2020	-	-	-	-1.43%	(353)	-	-	-	-	-	-
1 April 2019	-	-	-	-1.45%	(353)	-	-	-	-	-	-
Total											
31 March 2021	-	-	-	100.00%	23,754	100.00%	(1,038)	100.00%	52	100.00%	(986)
31 March 2020	-	-	-	100.00%	24,740	100.00%	2,612	100.00%	(147)	100.00%	2,465
1 April 2019	-	-	-	100.00%	24,407	-	-	-	-	-	-

Note 63 - Amounts below Rs 0.50 lakh have been rounded off.

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

This is a summary of significant accounting policies and other explanatory information referred to in our other report of even date.

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

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

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

Surya kant Sethia
Chief Financial
Officer

A. T. Malkani
Managing Director
DIN : 01585637

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 28 May 2021

Place : Mumbai
Date : 28 May 2021

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013
read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

Sr. No.	Particulars	Details
1.	Sr. No.	1
2.	Name of the subsidiary	Ador Welding Academy Private Limited
3.	The date since when subsidiary was acquired	Not Applicable
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable, since its same as Holding Company
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
6.	Share capital	Rs. 3,00,00,000/-
7.	Reserves & surplus	Rs. (1,31,69,736/-)
8.	Total assets	Rs. 2,30,02,361/-
9.	Total Liabilities	Rs. 8,25,116/-
10.	Investments	Rs. 1,03,00,941 /-
11.	Turnover (excluding other income)	Rs. 51,24,483 /-
12.	Profit before taxation	Rs. 20,37,443 /-
13.	Provision for taxation	Rs. (1,17,291/-)
14.	Profit after taxation	Rs. 19,20,152/-
15.	Proposed Dividend	Nil
16.	Extend of shareholding (in %)	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries, which are yet to commence operations- **NA**
- Names of subsidiaries, which have been liquidated or sold during the year- **NA**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

N. Malkani Nagpal
Executive Chairman
DIN: 0031985

Place: Mumbai
Date: 28th May, 2021

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

Surya Kant Sethia
Chief Financial Officer

A. T. Malkani
Managing Director
DIN: 01585637

WELDING TRAINING DIVISION

Our Welding Training Division (WTD) responded with agility and positivity to the Coronavirus (COVID-19) pandemic. Despite significant challenges in business operations and interruptions in normal work routines & social life, WTD demonstrated and finished FY 2020-21 by continuing to deliver best possible welding education & skills to our customers and dealers. Since the start of the pandemic, conducting "online webinars" became the standard service for imparting welding education and thus it trained more than one thousand candidates "online" in FY 2020-21, majorly funded by corporates, under our initiative of "WELDING ONLINE".

In addition to online training, WTD trained over 300 candidates "In-house" as well as "On-site" and served majorly to Indian Railways in FY 2020-21. In its initiative of Creating livelihood by promoting welding as career option, WTD trained 17 candidates including 2 girls from economically weaker sections under CSR initiatives of various Corporates. The participants were gainfully employed, after the training.

One of our trainers made us proud by bagging first prize in "Arc Cup" Welding Skills International Remote Competition 2020.



INDIAN RAILWAYS BATCH



BATCH UNDER CSR INITIATIVE



ARC CUP WELDING SKILLS INTERNATIONAL
REMOTE COMPETITION 2020



BATCH UNDER CSR INITIATIVE



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