

# **ADOR WELDING LIMITED**

71<sup>ST</sup> ANNUAL REPORT  
FY 2023-24

# OUR STRENGTH



650+ Employees



3 Manufacturing Facilities



India - 250+ Authorised Distributors Network



International - 15+ Countries



Govt. of India Recognised  
R & D Centre



Listed on BSE & NSE





## OUR CORE VALUES



**PERFORMANCE**



**CUSTOMER EXPERIENCE**



**TRUST**



"We are thrilled to announce that the Bureau of Indian Standards (BIS) has honored us with a letter of appreciation, recognizing our long-standing relationship & our contribution to outreach activities for BIS.

BIS is the national standards body of India that develops & publishes Indian Standards, implements Conformity Assessment Schemes, and recognizes & runs laboratories for Conformity Assessment. BIS also represents the country in ISO & IEE."

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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 | Email : investorservices@adorians.com

## Plants - Welding Consumables

### SILVASSA

Survey No. 59 / 11 / 1, Khanvel Road,  
Masat, Silvassa 396 230,  
UT of Dadra and Nagar Haveli, India.  
Tel : +91 7046097910 / 11 / 12 / 13

### RAIPUR

Industrial Estate, Bilaspur Road,  
Birgaon, Raipur 493 221,  
Chhattisgarh, India.  
Tel : +91 9109156299  
E-mail : rpr.plant@adorians.com

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

### CHINCHWAD, PUNE

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

## Domestic Regional Offices

### NORTHERN

DSM 52, Ground Floor, DLF Tower, Shivaji Marg,  
New Delhi - 110015, India  
Tel : +91 011 4330 4333  
E-mail : delhi@adorians.com

### EASTERN

C/O AWFIS, Shree Manjari Building,  
4<sup>th</sup> Floor, 8/1A Sir William Jones Sarani,  
Kolkata - 700071, West Bengal, India  
Tel: +91 033 4008 4862 / 63  
E-mail : kolkata@adorians.com

### SOUTHERN

1289, Ramakrishna Bagh, Trichy Road,  
Coimbatore - 641018,  
Tamil Nadu, India.  
E-mail : coimbatorearea@adorians.com

### WESTERN

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

### CENTRAL

Industrial Estate, Bilaspur Road, Birgaon, Raipur 493 221, Chhattisgarh, India.  
Tel : +91 9109156299  
E-mail : rpr.plant@adorians.com

## Ador International

### DUBAI

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

# CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	
Mrs. Ninotchka Malkani Nagpal	- Executive Chairman
Mr. A. T. Malkani	- Managing Director
Dr. D. A. Lalvani	- Non – Executive 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. N. S. Marshall	- Non – Executive & Independent Director
<b>MANAGEMENT / LEADERSHIP TEAM</b>	Mr. K. Suryanarayan
	Mr. Mustafa Faizullahbhoj
	Mr. Sachin H. Dobhada
	Dr. Shrikant S. Suvarna
	Mr. Sujit G. Barde
	Mr. Sunanda K. Palit
	Mr. Surya Kant V. Sethia
	Mr. Vinayak M. Bhide
	Mr. Vineet H. Bansal
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Mr. V. M. Bhide
<b>STATUTORY AUDITORS</b>	Walker Chandiook & Co. LLP., Chartered Accountants, Mumbai
<b>SECRETARIAL AUDITORS</b>	N. L. Bhatia & Associates, Company Secretaries, Mumbai
<b>INTERNAL AUDITORS</b>	Kirtane & Pandit LLP., Chartered Accountants, Pune
<b>COST AUDITORS</b>	Kishore Bhatia & Associates, Cost Accountants, Mumbai
<b>BANKERS</b>	HDFC Bank IDFC First Bank Kotak Mahindra Bank ICICI Bank Bank of Baroda
<b>REGISTERED OFFICE</b>	Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001 – 16, Maharashtra, India Tel: +91 22 6623 9300, 2284 2525 Email: investorservices@adorians.com   Web: www.adorwelding.com
<b>CORPORATE IDENTIFICATION NUMBER (CIN)</b>	L70100MH1951PLC008647
<b>REGISTRAR &amp; SHARE TRANSFER AGENT (RTA)</b>	Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. Tel: +91 22 4918 6000 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 specialization 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 26 years of experience in Financial Management of Ador Welding Limited and Ador Group of Companies.
- Former Chairman of Ador Fontech Ltd and Chairman of M/s. J B Advani & Co. Private Limited (parent company of Ador Group).
- Currently, the Executive Chairman of Ador Welding Ltd. w.e.f. 19<sup>th</sup> 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)



**Mr. (Dr.) Deep A. Lalvani**  
Non-Executive Director  
(DIN: 01771000)

- A Commerce Graduate with distinction in Marketing & Advertising and Masters in commerce with specialization 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 and currently involved with the education section in India.
- Awarded an honorary Doctorate in 2019.
- 22 years hands on experience across reputed National and International firms.
- Involved across various functions within Ador Group including incubating Ador Welding Academy, new business ideas and e-commerce initiatives at the group. Currently Chairman of the Group's Holding Company, J B Advani & Co. Pvt. Ltd. and leading the CSR initiatives for the Group.





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

- Ravin Mirchandani is a business leader with significant international experience having directly lived and worked in 6 countries across Europe and Asia. His experience spans the cryogenic, defence, energy storage and traffic infrastructure industries.
- Ravin has a MBA in Business Administration from Queensland University of Technology (International Business), Brisbane, Australia and a Bachelor of Commerce (Accounting) degree from the University of Pune, India.
- Presently, Ravin's primary focus is "road", i.e. equipment to charge electric vehicles and road safety technology such as speed enforcement and calming systems. During his spare time he enjoys golf and kayaking. He also has a private pilot's license. Ravin speaks English, Hindi, Marathi and when it counts - some French and Indonesian.

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



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

- 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, a 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), conducting due diligence and executing M&As and to effectively managing outside counsel for dispute resolution; in addition to other routine corporate governance, data protection, regulatory and compliance work.
- Over the course of his career, he has lived and worked in the US and Asia and has advised clients across geographies from the US, UK, Latin America, EMEA, SEA, South Asia, China, Korea to Japan, including Credit Suisse, Lockheed Martin, Hilton Hotels, Mantas, SRI, AkzoNobel, Marriott International, Ogilvy & Mather, Apollo Global Management, Insight Partners, AtoS, British Telecom, Anglo-American, CSC, and Bristol-Myers-Squibb.
- Holds degrees in mathematics and law from Delhi University and Harvard Law School, USA.



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



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

- Rakesh has over 36 years of work experience.
- He commenced his career with HSBC, where he worked for 10 years in Corporate & Investment Banking, executing Debt, Equity and Structured Transactions with Large Indian and MNC Companies.
- He then moved to the General Electric Group and worked with GE Capital and thereafter following an internal group transfer, as CEO for IGE India, where he was responsible for the initial launch of the NBC & CNBC Network in India.
- Subsequently, he spent another 3 years in the television broadcast industry before joining the Oberoi Group (EIH), as CEO of Mercury Travels.
- He then moved and worked in Hong Kong and India as Director in a leading Executive Search firm, before establishing Executive Mantra, with two other partners in the year 2014.
- He is a B. Com. (Hons) graduate from St. Xavier's College, Kolkata and has a BBA & MBA degree from SIU, London.

- Responsible for leading global omnichannel content marketing and for GSK.
- He is into setting up AI & Gen AI capabilities and running global teams across geographies and capabilities including; strategy, creative, media data and technology.
- Partnered Unilever, P&G, J&J, Kimberly Clark and Government accounts including Central Provident Fund (CPF), the Housing and Development Board (HDB) and Singapore Tourism Board, amongst others.
- Has won multiple awards ranging from Cannes, Effies and has been listed as 40 under 40 in Campaign Asia's 2017 list. Gaurav also sits on the board of two public listed companies in India.



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



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

- Co-Founder of Kae Capital, an early stage Venture Capital Fund, where she is the Director of Finance & Legal.
- Previously, the President of Indo Pacific Polyfibers Limited (IPL), a Dempo Group Company where she was part of the Promoter Group.
- Earlier she has worked with HDFC Securities and JM Morgan Stanley primarily in the area of Equity Research. She has also served as the Commercial Executive of the Dempo Group.
- An Active Angel Investor in fast growing start-ups like InMobi, Innovcare, Squadrun and Navya.
- She has completed her M.Sc. (Econ) with specialization 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. Xavier's College of Arts, Mumbai.



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

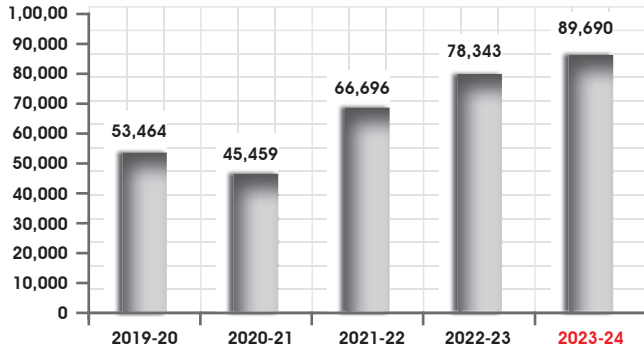
- BA (Hons.) Economics from St Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur.
- Over 40 years of operating and / or advisory experience in FMCG, Television Networks, Newspapers, Sports Marketing and Technology Companies.
- Has held operating responsibilities for India and International Markets (UK & Europe, USA, Africa, GCC, Asia, Australasia).
- Has lived in and worked from postings in India, Nigeria, UK and Singapore. Currently lives in and operates from Singapore.
- Worked with Unilever India sales & marketing; Afcott Nigeria; and Kanmoor Foods India, before transitioning to media & entertainment.
- Worked in the media industry as Executive President of Zee TV (1992-95), CEO of Zee TV International (1996-97), Group CEO Indian Express Newspapers (1998-2000), CEO Internet Company of India (2000-01), CEO Nimbus Sport (2002-07) and CEO Nimbus Communications (2008-09).
- Project assignments with Enfold Inc. USA, T2 Diamond Singapore over 2013-19.
- Director at Nimbus Sport (2009-12); Advisory Board at Euromax (2007-14); Non-Executive Independent Director at Mercury Travels Ltd (2014-2018).
- Member of Board of Governors of Spirit of Enterprise, Singapore 2017-19.
- Served as an Independent Non-Executive Director on the Board of Thomas Cook India Ltd. (1999- 06) and Ador Welding Ltd. (2009- till date).

- Mr. Navroze Shiamak Marshall is a British national of Indian origin and has been the Managing Director of Simmonds-Marshall Ltd., since January, 2003.
- Mr. Marshall has an experience of over 20 years to his credit.
- He has vast experience with multinationals in the United States of America.
- Mr. Marshall was educated at Cathedral & John Connon School, Mumbai, United World College (South East Asia), Singapore and holds Bachelors of Science degree in Chemical Engineering & Economics from Carnegie Mellon University in Pittsburgh, USA.
- Mr. Marshall also has a MBA in Management from IMD, Switzerland.

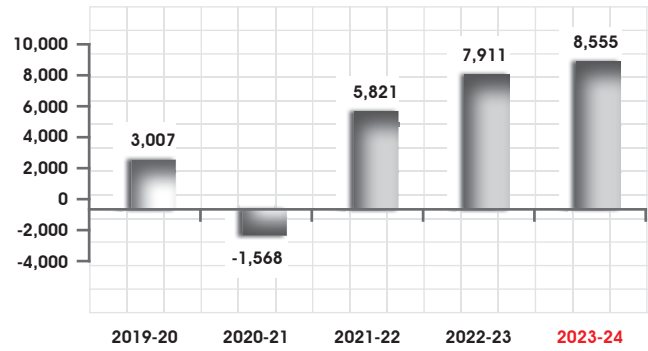


**Mr. Navroze S. Marshall**  
**Non-Executive & Independent Director**  
 (DIN: 00085754)

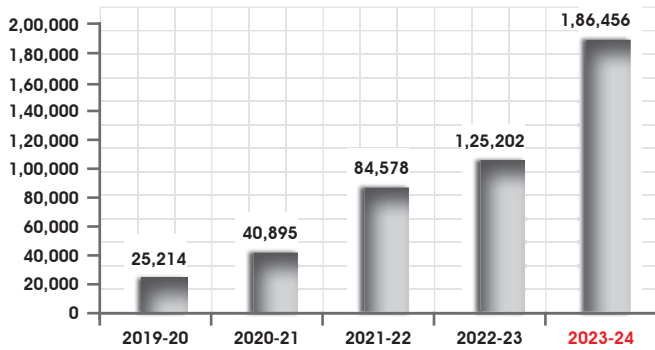
# FIVE YEAR FINANCIAL STATISTICS



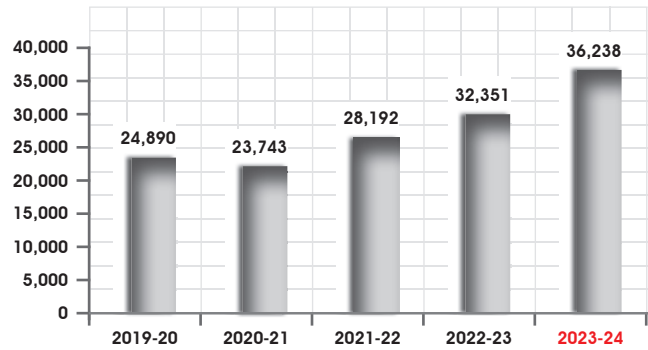
Turnover (Rs. in Lakhs)



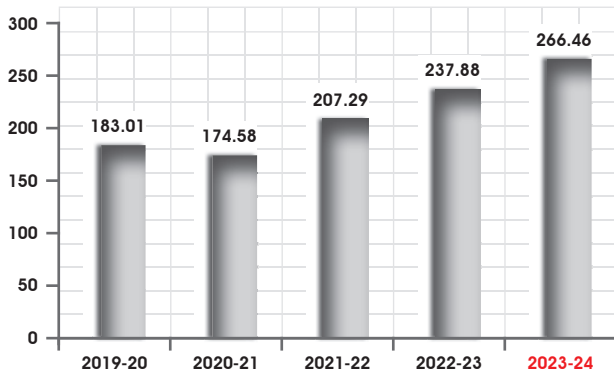
Profit Before Tax (PBT) (Rs. in Lakhs)



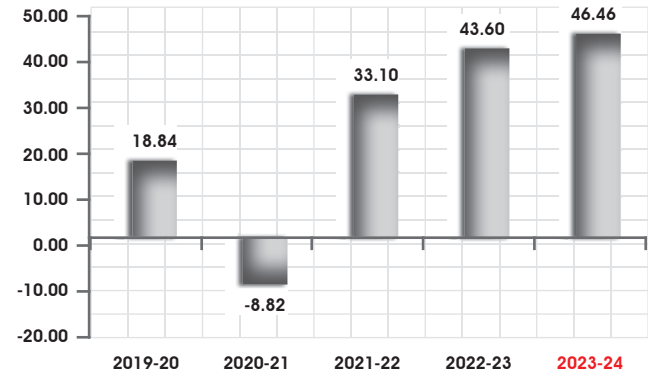
Market Capitalization (Rs. in Lakhs)



Net Worth (Rs. in Lakhs)



Book Value Per Share (BVPS) (Rs.)



Earning Per Share (EPS) (Rs.)

# FIVE YEAR FINANCIAL STATISTICS

(Rupees in lakhs)

<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Sales & Other Income (net of excise duty)	89,690	78,343	66,696	45,459	53,464
Manufacturing & Other Expenses	79,391	68,955	60,311	42,739	48,528
Operating Profit / EBITDA	10,299	9,388	6,385	2,720	4,936
Depreciation	1,342	1,161	1,090	1,110	1,068
EBIT	8,957	8,227	5,295	1,610	3,868
Interest	402	236	372	641	861
Profit before exceptional items and tax (PBT)	8,555	7,991	4,923	969	3,007
Exceptional Items (Net)	-	(80)	898	(2,537)	-
Profit / (loss) before tax (PBT)	8,555	7,911	5,821	(1,568)	3,007
Taxation	2,236	1,982	1,319	(369)	445
Profit / (loss) after Tax (PAT)	6,319	5,929	4,502	(1,199)	2,562
Comprehensive Income/ (loss)	(52)	(68)	(61)	52	(147)
Total Comprehensive income / (loss)	6,267	5,861	4,441	(1,147)	2,415
Dividend (incl. DDT)	2516#	2380*	1700*	-	1066#

<b>BALANCE SHEET - AS AT</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Net Fixed Assets (incl. CWIP and Investment in properties)	15,299	12,506	12,457	11,969	12,486
Investments	2,325	2,028	1,988	1,178	635
Current Assets	30,251	26,612	21,009	20,209	26,739
Current Liabilities	14,901	12,023	10,396	13,265	18,032
Net Current Assets	15,350	14,589	10,613	6,944	8,707
Other Non-Current Assets	4,186	4,022	3,811	4,152	4,024
Capital Employed	37,160	33,145	28,869	24,243	25,852
Equity Share Capital	1,360	1,360	1,360	1,360	1,360
Reserves & Surplus	34,878	30,991	26,832	22,383	23,530
Net Worth	36,238	32,351	28,192	23,743	24,890
Long term loan Funds	60	73	60	-	-
Deferred Tax Liabilities	-	-	-	-	423
Long-term provisions	760	615	469	359	387
Other long term liabilities	102	106	148	141	152
Capital Employed	37,160	33,145	28,869	24,243	25,852

<b>RATIOS</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
EBITDA Margin (%)	11.65%	12.09%	9.65%	6.08%	9.39%
Net Margin (%)	7.15%	7.63%	6.81%	(2.68%)	4.87%
Interest Cover (EBITDA / Gross Interest)	26	40	17	4	6
ROCE (EBIT / Capital Employed) (%)	24.10%	24.82%	18.34%	6.64%	14.96%
Current Ratio (times)	2.03	2.21	2.02	1.52	1.48
Debt Equity Ratio (times)	0.12	0.05	0.00	0.12	0.33
Dividend Per Share (DPS) (Rs.)	18.5*	17.50	12.50	0.00	6.50#
Earning Per Share (EPS) (Rs.)	46.46	43.60	33.10	(8.82)	18.84
Book Value per share (Rs.)	266.46	237.88	207.29	174.58	183.01

\* Final Dividend

# Interim Dividend

# EVENTS HELD DURING THE YEAR

## 1. Distributors Meet:

The Ador Distributors Meet 2023, was a resounding success, bringing together over 400 individuals, including employees, distributors of Ador Welding & Ador Fontech, and their families. The event served as a celebration of the powerful synergy that binds both the Companies together. Highlights of the meet included the Ador Awards Night, which recognized outstanding achievements and showcased our collective strength as a cohesive team. It also featured interactive sessions, providing valuable insights from distributors and the Ador team, fostering knowledge exchange and clarity of perspective.



## 2. Schweissen & Schneiden Trade Fair in Essen:

Schweissen & Schneiden is the world's premier trade fair for joining, cutting, and surfacing technology specialists, making it a pivotal event for companies at the forefront of welding innovation. Ador's presence at this prestigious event underscores its commitment to pushing the boundaries of welding technology and fostering a sustainable future for the industry.

Our participation in Schweissen & Schneiden 2023 provided an exceptional platform for showcasing our latest breakthrough: the Rhino-E Electric Welder. This state-of-the-art technology, engineered with a focus on minimizing carbon emissions and noise levels, captured significant attention from attendees. Visitors commended our interactive displays, including immersive virtual reality experiences and live product demonstrations. Particularly, the Rhino-E Battery Welder emerged as a standout feature of the exhibition, attracting considerable interest for its pioneering attributes.



## OUR NEW PRODUCT

### RHINO - E

Ador's latest innovation Rhino - E, represents a remarkable leap forward in welding technology, designed with a strong emphasis on reducing carbon emissions and noise levels. Notably, this marks the introduction of the first battery-powered electric welder in India.

The launch of Rhino - E, reflects Ador's unwavering commitment to Innovation and Sustainability. We recognised the need to reduce the carbon footprint, in welding processes and responded by developing the first battery-powered welder in India. We believe, Rhino - E will not only revolutionize the welding industry but also contribute significantly to reducing environmental impact. Ador is poised to lead this fast-growing market segment.



Rhino E's rapid development, achieved within a record time of just four months, demonstrates Ador's formidable capabilities. The product stands as a testament to the prowess of Ador's Technical Development Centre, which comprises 38 highly skilled individuals and receives a substantial 5% of the Company's profits dedicated to fostering innovation. This commitment to cutting-edge technology enables Ador to stay ahead of market demands and provide innovative solutions to its customers.

## CSR INITIATIVES



- 1. Refurbishment of Girls Washroom at Advani Oerlikon Higher Secondary School, Birgaon, Raipur:** Ador Welding Limited constantly endeavours to add value and promote Education / Special Education on the societal front and to make a significant impact on their livelihood. We recently constructed the "Pink Toilet" for Girls, studying at Advani Oerlikon Higher Secondary School, which was established in the year 1981 at Raipur. This co-ed school has grown, to become the largest public school in Chhatisgarh. Ador continues to support the school, in varying capacities.

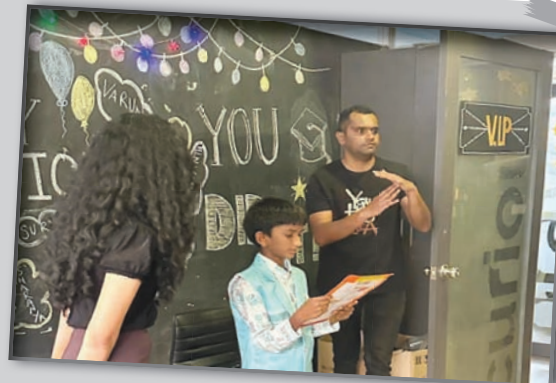


- 2. Vanvasi Kalyan Ashram (VKA):** Vanvasi Kalyan Ashram, provides a nurturing environment, where young girls not only pursue academic excellence, but also engage in a spectrum of extracurricular activities. Through the judicious use of funds and donations received from the community at large VKA offers holistic development opportunities including stitching / tailoring, cooking, computer training, mehendi training, basics of agricultural activities and much more, ensuring our girls emerge as confident and skilled individuals, ready to conquer the world.





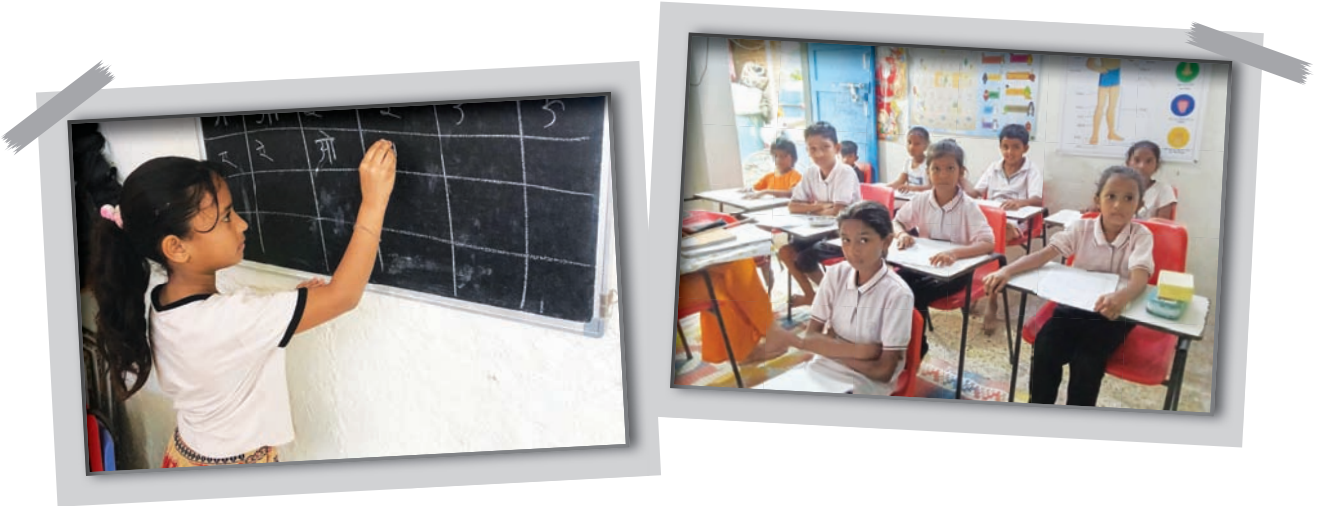
3. **Ajit Foundation:** Ajit Foundation has taken a significant step towards digital education by providing smart boards to children through our Company's CSR fund. By introducing children to the digital world, it hopes to create a more engaging and enjoyable learning environment. Its smart boards are being used to teach Language, Maths, Science and Skills, to create a better future for our children.



4. **U & I Trust:** U&I is working hard to bring a positive change to the society and helping underprivileged, destitute, & mentally challenged individuals lead a better life.

- Better Learning Tools:** With resources like books and whiteboards for its classrooms, learning has become much more fun for our students. They now can understand English better and learn important skills more easily.
- Fun Presentations:** They were able to organize special events like recent "project day" for the students to show what they've learned in interactive projects through presentations. By actively participating in these activities, students not only gain confidence but also developed a deeper understanding and appreciation for the subject matter.
- Personalized Progress Tracking:** Its students now have their own report cards. These tools enable students to monitor their own progress and identify areas for improvement. This makes them feel responsible for their own learning, increasing their confidence in decision making.

Our CSR support has given its students the confidence and skills they need to succeed academically, empowering them to break free from the cycle of poverty



5. **Shiksha Foundation:** It nurtures underprivileged girl child section of the society, helps needy children, work upon women empowerment for a strong nation building, get the right medical aid, outreach to outskirts and make education available for literacy & organize special need based programs.

## DIRECTORS' REPORT

To,

### The Members,

The Directors take immense pleasure in presenting the Seventy First (71<sup>st</sup>) Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2024.

### 1. CORPORATE OVERVIEW

Your Company, Ador Welding Limited (ADOR) 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".

ADOR 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 over fifteen (15) countries and our corporate headquarter is based in Mumbai.

### 2. FINANCIAL PERFORMANCE & THE STATE OF COMPANY'S AFFAIRS

Sr. No.	Key Financial Indicators	(Rs. in Lakhs)	
		For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
2.1	Sales & Other Income (Net of GST, Discount & Incentives)	89,690	78,343
2.2	Profit before exceptional items, Interest, Depreciation, Tax & Other Comprehensive Income	10,299	9,388
2.3	Exceptional items	-	(80)
2.4	Profit before Tax (PBT)	8,555	7,911
2.5	Provision for Tax (Including Deferred Tax)	2,236	1,982
2.6	(Loss) / Profit after Tax (PAT)	6,319	5,929
2.7	Total Comprehensive Income / (Loss)	6,267	5,861

### 3. DIVIDEND & RESERVES

The Board of Directors, in view of the proposed amalgamation of Ador Fontech Limited with our Company, declared Interim Dividend of 185 % (i.e. @ Rs. 18.50 per Equity Share of face value of Rs. 10/- each) for the Financial Year (FY) 2023-24, payable in FY 2024-25.

The total amount of Dividend, to be disbursed for FY 2023-24, will be Rs. 2,516 Lakhs, subject to applicable TDS. Further, the Dividend amount will be paid out of the profits of the Company, within 30 days, as per applicable law.

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

The Interim Dividend for FY 2023-24 will be paid to those Shareholders and Beneficial Owners, whose names appear in the Register of Members (RoM), as on the cut-off / record date for dividend payment i.e. Wednesday, 15<sup>th</sup> May, 2024.

The Board recommends transfer of 10 % of its Net Profits to General Reserve.

Considering the interim dividend payment of Rs. 18.50 per equity share, the Board has decided not to declare any additional final dividend for FY 2023-24. Hence the Interim Dividend of Rs. 18.50 per share will be the Final Dividend for FY 2023-24.

### 4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31<sup>st</sup> March, 2024 stood at Rs. 1,359.85 Lakhs. During the financial year under review, there

was no change in the issued, subscribed and paid-up share capital of the Company. Further, the authorized share capital of the Company increased in FY 2022-23 from Rs. 3,000.00 Lakhs to Rs. 3,300.00 Lakhs i.e. by Rs. 300.00 Lakhs, pursuant to the amalgamation of Ador Welding Academy Private Limited (Wholly Owned subsidiary of the Company) with the Company, effective from 01<sup>st</sup> April, 2021.

#### Confirmations:

- a. During the year under review, the Company has not:
  - i. issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities.
  - ii. issued any equity shares with differential rights as to dividend, voting or otherwise.
  - iii. issued any sweat equity shares to its Directors or employees.
  - iv. made any change in voting rights.
  - v. reduced its share capital or bought back shares.
  - vi. changed the capital structure, resulting from restructuring.
  - vii. failed to implement any corporate action.
- b. The Company's securities were not suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

## 5. FINANCE & ACCOUNTS

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

As mandated by the Ministry of Corporate Affairs (MCA), the financial statements for the financial year ended 31<sup>st</sup> March, 2024 have been prepared in accordance with the Indian Accounting

Standards (Ind AS), notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the Companies (Accounts) Rules, 2014, as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect a true & fair form and substance of transactions and reasonably present the Company's state of affairs, profits & cash flows for the financial year ended 31<sup>st</sup> March, 2024.

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

## 6. OPERATIONS

In FY 2023-24, the total Sales & Other Income increased by 14.48%, as compared to last FY 2022-23. The year ended with Sales & Other Income of Rs. 89,690 Lakhs. (Rs. 78,343 Lakhs)\*.

The Company's Net Sales and Other Income during FY 2023-24 comprised the following:

- 6.1 Welding Consumables at Rs. 67,780 Lakhs (Rs. 61,449 Lakhs)\*
- 6.2 Equipment and Welding Automation at Rs. 17,131 Lakhs (Rs. 11,504 Lakhs)\*
- 6.3 Flares & Process Equipment Business at Rs. 3,472 Lakhs (Rs. 4,723 Lakhs)\*
- 6.4 Other Income of Rs. 1,307 Lakhs mainly comprised of forex gain, interest, rent & export incentives etc. (Rs. 667 Lakhs)\*

(\*Figures in brackets indicate previous year)

## 7. CAPEX

The Company incurred CAPEX of Rs. 1,514 Lakhs during FY 2023-24. The Capital work-in-progress as at 31<sup>st</sup> March, 2024 was Rs. 2,537 Lakhs. CAPEX planned for FY 2024-25 is approximately Rs. 2,800 to Rs. 3,500 Lakhs, mainly for the following:-

- a. Automation / modernization at Consumables and Equipment Plants.
- b. Plant & 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. Information Technology (IT) upgradation, digitalization & Compliances.
- f. Replacement of Vehicles.

## 8. PERFORMANCE OF THE SUBSIDIARY COMPANY

During the financial year under review, the Company did not have any subsidiary. However, the Board of Directors of the Company has approved a Policy for determining material subsidiaries, which is in line with the provisions of the Securities & Exchanges Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time. The said Policy has been uploaded on the Company's website at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2021/07/Policy-for-determining-Material-Subsidiary.pdf>

## 9. CONSOLIDATED FINANCIAL STATEMENT

Since the Company had given effect to the Scheme of Amalgamation (Merger by Absorption) of Ador Welding Academy Private Limited ("AWAPL") with Ador Welding Limited ("AWL") from 16<sup>th</sup> March, 2023, the consolidated financial statement of the Company and its subsidiary for FY 2023-24 is not applicable.

## 10. COMPOSITE SCHEME OF ARRANGEMENT

The Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme"), was considered and approved by the Board of Directors at its meeting held on 31<sup>st</sup> May, 2022.

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, delivered / pronounced an order on 18<sup>th</sup> May, 2023, directing that the meeting of the unsecured as well as secured creditors be dispensed with and notices be issued to the unsecured creditors, with / having outstanding amount of more than Rs. 1.00 Lakh in value, for raising their observations / objections / queries / representations, if any.

The order dated 18<sup>th</sup> May, 2023 also directed the Company to hold the Meeting of the equity shareholders of the Company for seeking

their approval on the proposed scheme of amalgamation. Accordingly, NCLT convened Meeting of equity shareholders was held on Thursday, 10<sup>th</sup> August, 2023. The scheme was approved by requisite majority.

Thereafter, the Company has complied with all the compliances and formalities and the Petition for approving the scheme of Amalgamation, under Section 230 to Section 232 of the Companies Act, 2013 was filed with the Hon'ble NCLT, Mumbai bench, as all the related documentations were in place.

The Company is awaiting the amalgamation order from NCLT, Mumbai Bench.

## 11. RISK MANAGEMENT

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

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

Further, since your Company falls in "Top 1000 Companies", based on market capitalization, since 31<sup>st</sup> March, 2021, a Risk Management Committee was constituted in FY 2021-22 to oversee implementation of the Risk Management Policy, to monitor & evaluate risks, basis appropriate methodology, processes & systems and to keep the Board of Directors informed and recommend the actions, to be taken, if any. The said policy is uploaded on the Company's website at the following web link: <https://www.adorwelding.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf>

## 12. RELATED PARTY TRANSACTIONS (RPTs)

During FY 2023-24, the Company entered into certain Related Party Transactions, in the ordinary course of business and on arms' length basis, with

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

During the financial year under review, the Company did not enter into any transaction, contract or arrangement with the related parties, that could be considered material under Regulation 23(4) of SEBI (LODR) Regulations, 2015 or Section 188 of the Companies Act, 2013.

All transactions entered into with the Related Parties during the financial year 2023-24 under review, were on arms' 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, commission, sitting fees and reimbursement of expenses, to the extent applicable. All Related Party Transactions are given / 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.

A detailed note on procedure adopted by the Company in dealing with contracts and arrangements with the related parties has been provided in the Report on Corporate Governance on page no. 42.

During the year, the Company amended its RPT Policy in order to align with the provisions of the amended SEBI (LODR) Regulations, 2015, which is reviewed by the Audit Committee & approved by the Board of Directors in a timely manner and as & when necessary. The said RPT policy is available on the Company's website at <https://www.adorwelding.com/wp-content/uploads/2024/02/RPT-Materiality-Policy-2023-24.pdf>

### 13. ANNUAL RETURNS

Pursuant to Sections 92 & 134(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended, the draft of Annual Return for FY 2023-24 in e-form MGT-7 is available on the Company's website: <https://www.adorwelding.com/wp-content/uploads/2024/06/website-MGT-7-1.pdf>

### 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Under the "Corporate Social Responsibility" (CSR) drive, the Company has spent an amount of Rs. 95.19 Lakhs during FY 2023-24, out of its budgeted annual CSR expenditure of Rs. 94.83 Lakhs & has spent Rs. 0.83 Lakh, out of Rs. 10.50 Lakhs parked in the Unspent Corporate Social Responsibility Account (UCSR) for an "Ongoing Project". Accordingly, the balance in UCSR account stands "NIL" as on 31<sup>st</sup> March, 2024. The various projects / initiatives, undertaken by the Company, were in the following areas:

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

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

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out, in a format prescribed in the Companies (CSR Policy) Rules, 2014, as amended from time to time, in **Annexure – I** to this Report. The CSR Policy is also available on Company's website at URL: <https://www.adorwelding.com/wp-content/uploads/2022/05/CSR-Policy-FY-2022-23.pdf>

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

#### **Brief on "Ador Foundation"**

"Ador Foundation" is a social initiative, undertaken by all Ador Group Companies, collectively, from FY 2022-23 onwards. The mission of the Foundation is to take Ador Group's socially conscious legacy forward, through initiatives in the field of Education, Women Empowerment, Skill-Development & Health Care, which are also considered as four pillars of the foundation. All the projects are personally vetted by the personnel of the Foundation & by at least two of our Directors and to ensure that the said projects are good, genuine and beneficial to the underprivileged society at large. Ador believes in doing well by giving good. It is our firm belief that the long-term success of a corporate depends on giving back to the society it operates in and ensuring its operations are sustainable.

### **15. LOANS, GUARANTEES & INVESTMENTS**

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

### **16. FIXED DEPOSITS**

Your Company had no opening balances of fixed deposits. Further, the Company has not accepted or renewed any deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date, within the meaning of Section 73 and / or Section 74 of the Companies Act 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### **17. SECRETARIAL STANDARDS (SS)**

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

### **18. INSURANCE**

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

### **19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

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

### **20. CORPORATE GOVERNANCE**

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the Corporate Governance Code since FY 2001-02. Your Company has strived to comply with all the requirements of Good Corporate Governance practices for the period 01st April, 2023 to 31st March, 2024 (i.e. FY 2023-24), pursuant to Regulation 27(2) of SEBI (LODR) Regulations, 2015. As per Regulation 34(3) read with Schedule V to SEBI (LODR) Regulations, 2015, a separate section on the Corporate Governance practices, followed by the Company, together with Corporate Governance Compliance Certificate received from M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Secretarial Auditors of the Company, confirming compliance, is forming an integral part of this Report, which is annexed hereto as **Annexure - III**.

The Management Discussion and Analysis (MDA) Report, as stipulated under Schedule V to SEBI (LODR) Regulations, 2015, is also annexed to this Report as **Annexure - IV**.

### **21. SIGNIFICANT & MATERIAL REGULATORY ORDERS**

During FY 2023-24, 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.

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

## 22. NOMINATION, REMUNERATION & BOARD DIVERSITY POLICY

The Board of Directors has framed a policy, on the recommendation of the Nomination & Remuneration Committee (NRC), 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 Directors 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 & the Non-Executive Directors. The said policy has been posted on the website of the Company at [https://www.adorwelding.com/wp-content/uploads/2021/07/criteria\\_for\\_payment\\_to\\_NEDs.pdf](https://www.adorwelding.com/wp-content/uploads/2021/07/criteria_for_payment_to_NEDs.pdf)

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

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

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills including expertise in financial, diversity, global business, leadership, information technology, mergers & acquisitions, Board service and governance, sales and marketing, Environmental, Social & Governance (ESG), risk

management, cybersecurity and other domains, which will ensure that the Company retains its competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at <https://www.adorwelding.com/wp-content/uploads/2023/09/Policy-on-Diversity-of-Board-of-Directors.pdf>

## 23. 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 profile is uploaded / registered in the databank, as maintained by the Indian Institute of Corporate Affairs (IICA), within the stipulated time. Further, the Independent Directors have also completed their KYC confirmation on the MCA website.

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 attributes, standards of integrity, ethical behavior, qualifications & independent judgement.

Your Company has in all 06 (six) Independent Directors, including 01 (one) Woman Independent Director, as on 31<sup>st</sup> March, 2024. The Independent Directors met on 01<sup>st</sup> February, 2024, without the presence of the Non-Independent Directors and Members of the Management, as required under SEBI (LODR) Regulations, 2015 and the Companies Act 2013, to discuss on various important matters & evaluate the working culture in the Company / operations of the Management (Whole-Time Directors & KMPs).



## 24. DIRECTORS & KEY MANAGERIAL PERSONNEL

During FY 2023-24 the following changes occurred in the composition of the Board of Directors of the Company:

- a. The Board of Directors, on the recommendation of the Nomination & Remuneration Committee at their meeting held on 30<sup>th</sup> May, 2023, re-appointed Mr. Aditya T. Malkani (DIN:01585637) as the Whole-Time Director, designated as the Managing Director of the Company for a period of three (03) years w.e.f 14<sup>th</sup> September, 2023, subject to the approval of the Shareholders. The appointment of Mr. Aditya T. Malkani was thereafter ratified by the Shareholders at the subsequently held 70<sup>th</sup> Annual General Meeting for FY 2022-23 on Wednesday, 09<sup>th</sup> August, 2023.
- b. 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. The brief profile of Ms. Tanya H. Advani is given in the Notice convening 71<sup>st</sup> Annual General Meeting.
- c. The Board of Directors, on the recommendation of the Nomination & Remuneration Committee at their meeting held on 01<sup>st</sup> February, 2024, re-appointed Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) as the Whole-Time Director, designated as the Executive Chairman of the Company for a period of three (03) years w.e.f. 07<sup>th</sup> May, 2024, subject to the approval of the Shareholders, considering her rich experience in finance, Business and Economics as well as her long term association with the Company / Ador Group of almost 26 years. According to the Company's Articles of Association (AoA) & Section 152(6), Mrs. Ninotchka Malkani Nagpal is liable to retire by rotation.

The brief profile of Mrs. Ninotchka Malkani Nagpal is given in the Notice convening the 71<sup>st</sup> Annual General Meeting. In the interest of the Company's continued prosperity and well-being, the Board recommends her

re-appointment as the Whole Time Director (Executive Chairman) of the Company at the ensuing Annual General Meeting.

- d. Mrs. Nita Dempo Mirchandani (DIN: 01103973) is a Non-Executive & Woman Independent Directors of the Company. She was appointed as Independent Director on the Board, under the Companies Act, 2013, on 01<sup>st</sup> April, 2020. Section 149 of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of upto 05 (five) consecutive years and shall be eligible for re-appointment on passing a Special Resolution by the shareholders of the Company for a second term of upto 05 (five) consecutive years i.e. holding office up to 02 (two) consecutive terms, whose term of office shall not be liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Nita Dempo Mirchandani, being eligible, have offered herself for re-appointment and is proposed to be re - appointed as an Independent Director, on the recommendation of the Nomination & Remuneration Committee and on the basis of the reports / results / outcome or performance evaluation, for a second term of 05 (five) consecutive years, commencing from 10<sup>th</sup> November, 2024 upto 09<sup>th</sup> November, 2029. The brief profile of Mrs. Nita Dempo Mirchandani is given in the Notice convening 71<sup>st</sup> Annual General Meeting.

Notice had been received from a Member proposing candidature of Mrs. Nita Dempo Mirchandani as candidate to the office of Independent Director of the Company. In the opinion of the Board, she satisfies the conditions, specified in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder, for her re-appointment and is independent of the Management. The Board believes that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

- e. In terms of the Section 149(10) & 149(11) of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, the Independent Directors shall hold office for

a term up to 05 (five) consecutive years, but shall be eligible for re-appointment for another term of 05 (five) consecutive years on passing of a special resolution. Mr. Piyush Kumar Gupta (DIN: 00963094), Mr. Rakesh Narain Sapru (DIN: 02332414) & Mr. K. Digvijay Singh (DIN: 00004607), served as Non-Executive & Independent Directors on Board of the Company from 28<sup>th</sup> July, 2014 and their respective tenure will expire on 27<sup>th</sup> July, 2024. In view of this, they will cease to act as Independent Directors of the Company w.e.f. 28<sup>th</sup> July, 2024 & shall be eligible for appointment only after the expiration of 03 (three) years of ceasing to become Independent Directors. Further, they shall not be associated with the Company in any other capacity, either directly or indirectly during the said period of 03 (three) years.

- f. At the end of the financial year, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee appointed Mr. Santosh Janakiram Iyer (DIN: 06801226) as an Additional Director (Non-Executive & Independent) with effect from 28<sup>th</sup> July, 2024. In terms of Section 161 of the Act, Mr. Santosh Janakiram Iyer holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing his name for the office of Director. The Board recommends the appointment of Mr. Santosh Janakiram Iyer as a Non-Executive & Independent Director, for the approval by the Members of the Company. The brief profile of Mr. Santosh Janakiram Iyer is given in the Notice convening 71<sup>st</sup> Annual General Meeting.

In the opinion of the Board, Mr. Santosh Janakiram Iyer satisfies the conditions specified in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder, for his appointment as an Independent Director of the Company and he is independent of the Management. The Board believes that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director for the first term of

05 (five) consecutive years. He shall not be liable to retire by rotation. In the interest of the Company's continued prosperity and well-being, the Board recommends his appointment as an Independent Director at the ensuing Annual General Meeting.

- g. At the end of the financial year, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Jitendra Hiru Panjabi (DIN: 01259252) as an Additional Director (Non- Executive & Independent) with effect from 28<sup>th</sup> July, 2024. In terms of Section 161 of the Act, Mr. Jitendra Hiru Panjabi holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing his name to the office of Director. The Board recommends the appointment of Mr. Jitendra Hiru Panjabi as a Non-Executive & Independent Director, for the approval by the Members of the Company. The brief profile of Mr. Jitendra Hiru Panjabi is given in the Notice convening 71<sup>st</sup> Annual General Meeting.

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

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

- i. Necessary Resolutions for the re-appointment of the abovenamed Directors have been included in the Notice convening the ensuing 71<sup>st</sup> Annual General Meeting and details of the proposed appointees, as required pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2 (SS-2), are given in the Appendix to the Explanatory Statement annexed to the said Notice.

## 25. DIRECTORS PERFORMANCE EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees of the Board was conducted in accordance with the provisions of the Act and SEBI (LODR) Regulations, 2015. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition, structure, effectiveness of the Board & Committee Meetings, 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 NRC reviewed the performance of individual directors on the basis of criteria, such as the contribution of the individual director to the Board and committee meetings, like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. and to the Board as a whole. The Board of Directors expressed their satisfaction with the evaluation process.

The evaluation process endorsed the Board's confidence in the ethical standards of the Company, cohesiveness amongst the Board members, flexibility of the Board and management in navigating the various challenges faced from time to time and openness of the Management in sharing strategic information with the Board.

The manner of evaluation is explained in the Corporate Governance Report in **Annexure – III**.

## 26. DIRECTORS RESONSIBILITY STATEMENT

Pursuant to Section 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 confirms that:

- a. in preparation of the Annual Accounts for FY 2023-24, 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 31<sup>st</sup> March, 2024;
- 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. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Business Responsibility & Sustainability Report (BRSR), in the prescribed format, is annexed as **Annexure VII** and forms an integral part of this Report.

BRSR includes reporting on the 09 (nine) principles of the National Voluntary Guidelines on social, environmental and economic responsibilities of business, as framed by MCA.

## 28. AUDIT COMMITTEE & ITS RECOMMENDATIONS

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

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

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

## 29. NUMBER OF BOARD MEETINGS

The Company conducted 04 (four) Board meetings during FY 2023-24 and the details thereof are covered in the Corporate Governance Report, which is annexed to this Report as **Annexure - III**.

## 30. 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. Nomination and Remuneration Committee (NRC)
- c. Risk Management Committee (RMC)
- d. Corporate Social Responsibility Committee (CSR)
- e. Stakeholders' Relationship Committee (SRC)

## 31. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMPs) of the Company as on 31<sup>st</sup> March, 2024:

- a. Mrs. Ninotchka Malkani Nagpal, Whole – Time Director (Executive Chairman)
- b. Mr. Aditya T. Malkani, Whole – Time Director (Managing Director)
- c. Mr. Vinayak M. Bhide, Company Secretary & Compliance Officer
- d. Mr. Surya Kant Sethia, Chief Financial Officer

## 32. AUDIT REPORT & AUDITORS

### a. STATUTORY AUDITORS

M/s. Walker Chandiook & 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 67<sup>th</sup> Annual General Meeting (AGM) of the Members held on 22<sup>nd</sup> September, 2020, i.e. until the conclusion of the 72<sup>nd</sup> Annual General Meeting, on such remuneration, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their remuneration is fixed annually, as recommended by the Audit committee and approved by the Board of Directors.

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.

### b. SECRETARIAL AUDITOR & ITS REPORT

Pursuant to the provisions of Section 204(1) 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 2023-24.

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.

### c. COST AUDITOR & ITS REPORT

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 2023-24.

The brief information of the Cost Auditor and the Cost Audit Report is given 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 2022-23 by the Cost Auditor with the Company:** Within 180 days from the end of the financial year (by 30th September, 2023)
- f. **Actual Date of filing of Cost Audit Report for FY 2022-23 with the Central Government:** 11<sup>th</sup> August, 2023

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for the financial year 2024-25, as well. M/s. Kishore Bhatia & Associates have, under Rule 6(1A) of the Companies (Cost Records and Audit) Rules, 2014, furnished a certificate of their eligibility and consent for the said appointment. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2024-25 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.

### 33. VIGIL MECHANISM & WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d)(iv) of SEBI (LODR) Regulations, 2015, the Company has framed a policy on Vigil Mechanism - cum - Whistle Blower, which enables any Director, Employee & Stakeholder of the Company to report their genuine concerns / instances of any unethical / improper activity, directly to the Chairman of the Audit Committee, as a Protected Disclosure. The employees, who join the Company are apprised of the availability of the said policy as a part of their induction schedule. 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 "ADORHUB" and also onto its website at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2021/07/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf>

### 34. 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. ADOR is committed to creating a safe and healthy work environment, where every employee, irrespective of gender, is treated with respect and is able to work without any fear of discrimination, prejudice, gender bias, or any form of harassment at the workplace.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee and is fully compliant of the Committee composition requirements.

Further, there were no complaints received by the Committee during the financial year 2023-24. The Company has also adopted a policy under the said Act, which is placed on its internal portal as well as on the website of the Company, which can be viewed at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2023/09/POSH-Policy-2023.pdf>

### 35. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, dividends, if not claimed within / for a period of 07 (seven) years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the

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

In the light of the aforesaid provisions, the Company has, during the financial year 2023-24 under review, transferred to IEPF, the unclaimed dividend of Rs. 18,65,560/- pertaining to FY 2015-16. Further, 13,182 equity shares of the Company, in respect of which dividends were not claimed / remained unpaid for 07 (seven) consecutive years or more, have also been transferred to the demat account of IEPF Authority. The details of the transfer of unclaimed dividend to the IEPF Authority are provided in detail in the Corporate Governance Report, annexed as **Annexure III**, to this report.

The Members, may claim dividends and / or shares from IEPF Authority, by submitting an online application in the prescribed electronic Form IEPF-5, available on the website [www.iepf.gov.in](http://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 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 IEPF Authority, as detailed / given on [www.iepf.gov.in](http://www.iepf.gov.in)

Whilst the Company has already written to the Members, informing them about the due date for transfer of their 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](http://www.adorwelding.com). Investors, who have not yet encashed their unclaimed / unpaid dividend amounts are requested to correspond with the Company's Registrar and Share Transfer Agent, at the earliest. Those Members / Shareholders, who

do not remember / recollect having encashed their dividend, can also check the "List of Unpaid Dividends", posted on the website of the Company.

### 36. HUMAN RESOURCE

At ADOR, 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. ADOR 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.

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

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if any, is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and the Accounts are being sent to the shareholders, excluding the aforesaid Annexure. The said Statement is also open for e-inspection / physical inspection, 21 (twenty one) days before and up to the date of the ensuing 71st Annual General Meeting, during business hours on any working day. 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 2% (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 667.

### 37. MATERIAL CHANGES & COMMITMENTS

There were no material changes, affecting the financial position of the Company subsequent to the close of the financial year 2023-24, till 30<sup>th</sup> April, 2024 i.e. till the date of this report.

### 38. INTERNAL FINANCIAL CONTROL SYSTEM & ITS 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. ADOR has an effective internal financial control system, which is constantly assessed and strengthened. The Company's internal financial 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 financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all the locations of the Company. Based on the report of the Internal Auditor, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and the corresponding corrective actions are, thereafter presented to the Audit Committee in its meeting, on a quarterly basis and as & when required.

### 39. REPORTING OF FRAUDS

There were no instances of fraud, during the financial year 2023-24, 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.

### 40. DISCLOSURE W.R.T. VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done, while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the financial year under review.

### 41. CODE FOR PREVENTION OF INSIDER TRADING

Your Company has adopted the Code of Conduct for Prevention of Insider Trading (PIT) for dealing / trading in the Securities of the Company, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices is also uploaded on the website of the Company at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2022/12/Code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price.pdf>

All the Directors, employees and third parties such as auditors, consultants, vendors, traders, etc, who could have access to the Unpublished Price Sensitive Information (UPSI) of the Company, are governed by this code. The objective of PIT Code is to protect the interest of the shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity, by / while dealing in shares of the Company, by / through its Designated Persons and their immediate relatives. The trading window is closed during / around 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.

The Company periodically circulates informative e-mails on prevention of insider trading, Do's and Don't's, etc. to all the Designated Persons to familiarize, educate and sensitize them on the provisions of the Code and PIT Regulations. The Management also imparts several trainings and

workshops to the Designated Persons in order to create awareness on various aspects of the Code and the PIT Regulations. Various "In-person" sessions are organized to seek clarifications on the Code. These activities help the Designated Persons to ensure objective compliances of the Regulations and the Code.

The Company has also maintained a structured Digital Database ("SDD"), pursuant to the requirements of regulations 3(5) and 3(6) SEBI (PIT) Regulations, 2015.

#### 42. ENVIRONMENT & HEALTH

Your Company is conscious of the importance of environmentally clean and safe operations. ADOR 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.

The detailed explanation w.r.t. the initiatives taken by the Company from health & environment perspective are given in BRSR Report, annexed herewith as **Annexure VII**.

#### 43. ANNUAL LISTING FEES

The Company affirms that the annual listing fees for the financial year 2024-25 have been paid to both M/s. National Stock Exchange of India Limited (NSE) and M/s. BSE Limited (Bombay Stock Exchange). Your Company has also paid its annual custodial fees to M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services (India) Limited (CDSL).

#### 44. DESIGNATED PERSON FOR IDENTIFICATION OF SIGNIFICANT BENEFICIAL OWNER (SBO)

Mr. Vinayak M. Bhide, Company Secretary and Compliance Officer of the Company has been appointed as the Designated Person, who shall be responsible for furnishing, identifying Significant

Beneficial Owner and extending the cooperation for providing the information to the Registrar, pursuant to the Rule 9(3) of the Companies (Management and Administration) Rules, 2014.

#### 45. CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially, from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

#### 46. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere gratitude and warm appreciation for the invaluable contribution and spirit of dedication shown by the employees, including the support staff, at all the levels during FY 2023-24. Your Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by its Customers, Distributors, Dealers, Vendors, 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:** 30<sup>th</sup> April, 2024



## ANNEXURE I - TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2023-24

#### 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 (ADOR) 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 (HDI). At ADOR, CSR is a cornerstone of its corporate culture and the Company's endeavor ardently adds more value on the societal front and to make a significant impact on the community.

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

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- Promoting education; including special education & employment enhancing vocational skills, especially among children, women, elderly and differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans, setting-up or supporting old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities, faced by socially and economically challenged 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;
- Contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Government for socio economic development and relief & welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to research & development projects in the field of science, technology, engineering and medicine, funded by the Central Government or the State Government or Public Sector Undertaking or any agency of the Central Government or the State Government;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies, established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics & Information Technology and other bodies, namely Defense Research & Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific & Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine, aimed at promoting Sustainable Development Goals (SDGs).

**2. Composition of CSR Committee:**

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

**3. Web-links:**

- a. Composition of CSR committee: <https://www.adorwelding.com/wp-content/uploads/2023/08/Composition-of-Committees-for-FY-2023-24.pdf>
- b. CSR Policy: <https://www.adorwelding.com/wp-content/uploads/2022/05/CSR-Policy-FY-2022-23.pdf>
- c. CSR projects, approved by the Board: <https://www.adorwelding.com/wp-content/uploads/2024/04/CSR-Projects-on-Website.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable for FY 2023-24, hence not carried out.

5. **a. Average net profit of the Company as per sub-section (5) of Section 135:** Rs. 4,748.01 Lakhs
- b. Two percent of average net profit of the Company as per sub-section (5) of Section 135:** Rs.94.96 Lakhs
- c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** NIL
- d. Amount required to be set-off for the financial year, if any:** Rs. 0.13 Lakh
- e. Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs.94.83 Lakhs

**6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**

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

(1) Sr. No.	(2) Name of the Project	(3) Items 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	0.83*	NIL	Yes	NA	NA
<b>Total</b>							<b>10.50</b>	<b>0.83*</b>	<b>NIL</b>			

\* The pending balance in Unspent CSR Account has been entirely spent during the financial year ended 31<sup>st</sup> March, 2024.

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

(1) Sr. No.	(2) Name of the Project	(3) Items 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.	Additional / Incremental salary to the school teachers at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	Promoting Education	Yes	Chhattisgarh	Raipur	6.30	Yes	Raipur Plant (Directly by the Company)	NA
2.	Refurbishment of Girls Washroom at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	Promoting Education	Yes	Chhattisgarh	Raipur	31.53	Yes	Raipur Plant (Directly by the Company)	NA
3.	Providing Umbrellas to Aaganwadi Workers at Silvassa	Livelihood enhancement project	Yes	Dadra & Nagar Haveli	Silvassa	0.63	No	Department of Social Welfare (Women & Children Development)	CSR00025593
4.	Supporting people affected / displaced due to Biparjoy Cyclone	Livelihood enhancement project	Yes	Gujarat	Ahmedabad	0.50	No	Mahila Seva Trust	CSR00002616
5.	Education, Women Empowerment, Skill Development & Healthcare Activities	Education, Women Empowerment, Skill Development & Healthcare	Yes	Maharashtra	Mumbai	40.93	No	Ador Foundation	CSR00029675
6.	Helped Baby Viaashka Chavan, innocent child suffering from a deadly disease	Promoting Healthcare, including preventive Healthcare	Yes	Maharashtra	Mumbai	0.25	No	Nanhi Pari Foundation	CSR00003182

(1) Sr. No.	(2) Name of the Project	(3) Items 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
7.	Helped 6 Month Old Girl Child suffering from Ca-Retinoblastoma i.e. eye cancer	Promoting Healthcare, including preventive Healthcare	Yes	Maharashtra	Mumbai	0.43	No	Nanhi Pari Foundation	CSR00003182
8.	Education to underprivileged children	Promoting Education	Yes	Karnataka	Bangalore	0.51	No	U & I Trust	CSR00002615
9.	Sponsored education of 10 tribal students	Promoting Education	Yes	Dadra & Nagar Haveli	Silvassa	1.50	No	Akhil Bharatiya Vanvasi Kalyan Ashram	CSR00014323
10.	Sponsored annual educational expenses of 10 students.	Promoting Education	Yes	Maharashtra	Solapur	1.00	No	Ajit Foundation	CSR00020691
11.	Sponsored annual educational expenses of 6 underprivileged girl students	Promoting Education	Yes	Maharashtra	Mumbai	1.11	No	Shiksha Foundation	CSR00002673
12.	Help to Special / disabled Children	Livelihood enhancement project	Yes	Maharashtra	Pune	2.00	No	Madhuban Matimand Bahuvikalang Samajik Santha	CSR00045341
13.	Supporting women who stay in slum areas (like providing soft skill training & placements)	Livelihood enhancement project	Yes	Maharashtra	Mumbai	2.00	No	Vipla Foundation	CSR00000158
14.	Sponsored infrastructural development at a rural school in Satara	Promoting Education	Yes	Maharashtra	Satara	1.00	Yes	Sharda Vidyalaya (directly by the Company)	NA
15.	Providing pressure cookers to the families of Anganwadi Workers	Livelihood enhancement project	Yes	Dadra & Nagar Haveli	Silvassa	4.00	Yes	Department of Social Welfare (Women & Children Development) (directly by the Company)	NA
16.	Financial assistance for providing mental health to the low income group people	Promoting Healthcare, including Preventive Healthcare	Yes	Maharashtra	Thane & Pune	1.50	No	Institute of Psychological Health (IPH)	CSR00002456
				<b>Total</b>		<b>95.19</b>			

**b. Amount spent in Administrative Overheads:** NIL

**c. Amount spent on Impact Assessment, if applicable:** NA

**d. Total amount spent for the Financial Year (6a + 6b + 6c):** Rs. 96.02 Lakhs

## e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount unspent				
	Total Amount transferred to unspent CSR Account, as per Section 135(6)		Amount transferred to any other fund specified under Schedule VII, as per second proviso to Section 135(5)		
Rs. 95.19	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil	Not Applicable		Nil	

## f. Excess amount for set-off, if any:

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	Rs. 94.96 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 95.19 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 0.23 Lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Rs. 0.13 Lakh
(v)	Amount available for set-off in succeeding Financial Years [(iii)+(iv)]	Rs. 0.36 Lakh

## 7. Details of unspent CSR amount for the preceding three (03) financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under Section 135 (6) (Rs. in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (Rs. In Lakhs)	Amount spent in the reporting Financial Year (Rs. in lakhs)	Amount transferred to any fund specified under Schedule VII, as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (Rs. in lakhs)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	2021-22	10.50	10.50	6.17	NIL	NIL	4.33	Not Applicable
2.	2022-23	NIL	4.33	3.50	NIL	NIL	0.83	
3.	2023-24	NIL	0.83	0.83	NIL	NIL	NIL	

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created / acquired: Not Applicable

## 9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable.

For and on behalf of the Board

Ninotchka Malkani Nagpal

Dr. Deep A. Lalvani

Place: Mumbai

Executive Chairman

Chairman of CSR Committee

Date: 30<sup>th</sup> April, 2024

(DIN: 00031985)

(DIN: 01771000)

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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### PHILOSOPHY ON CSR:

Ador Welding Limited (AWL) believes that 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 (HDI).

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 underserve communities face, and working towards creating a meaningful difference to them.

### APPLICABILITY & SCOPE:

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

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

### FOCUS AREAS OF ENGAGEMENT:

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

- i. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- ii. Promoting education; including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up or supporting old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air & water;
- v. Taking up Rural development projects / Conducting various social awareness programs;
- vi. Contributing to development & improvement in quality of life of the workforce and their families, as well as of the society at large;
- vii. Conservation of energy, including projects related to renewable sources of energy;
- viii. Contribution to Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Government for socio economic development & relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contribution to research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or the State Government or Public Sector Undertaking or any agency of the Central Government or State Government;

- x. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies, established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha & Homoeopathy (AYUSH); Ministry of Electronics & Information Technology and other bodies, namely Defense Research & Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine, aimed at promoting Sustainable Development Goals (SDGs)

#### ORGANIZATIONAL MECHANISM FOR CSR:

The Board of Directors shall form a Corporate Social Responsibility (CSR) Committee, pursuant to the provisions of Section 135 of the Act, which shall be responsible for formulating & recommending to the Board, the CSR Policy & CSR Annual Action Plan, list of CSR activities / manner of execution / utilization of fund and timelines / monitoring of projects and shall lay down the guidelines / key focus areas for the CSR activities every year.

#### COMPOSITION OF THE CSR COMMITTEE:

The Composition of CSR Committee shall consist of three or more directors, of which at least one director shall be an Independent Director. No sitting fees will be paid to the members of CSR Committee. The Company Secretary shall act as the Secretary to the Committee.

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

#### FUNCTIONS OF THE CSR COMMITTEE:

- i. To formulate and recommend to the Board, a CSR Policy, indicating the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII;
- ii. Recommend the amount to be spent on these activities in every financial year;
- iii. Monitor the Company's CSR activities under the

policy periodically;

- iv. Developing the CSR annual strategy, based on the guidelines, set by the Companies Act, 2013 & Rules framed there under.
- v. Formulate and recommend to the Board, the annual action plan for CSR activities, CSR project development, CSR project approval, etc. in accordance with the CSR Policy, indicating the following:
  - list of CSR projects or programmes that are approved to be undertaken in the areas or subjects, specified in Schedule VII to the Act;
  - manner of execution of such projects or programmes;
  - modalities of utilisation of funds and implementation schedules, for the projects or programmes;
  - monitoring and reporting mechanism, for the projects or programmes;
  - details of need and impact assessment, if any, for the projects, undertaken by the company.
- vi. Monitoring the execution mechanism for CSR projects; Periodic reporting and communication to the Board.

#### CSR COMMITTEE WILL ENSURE THE FOLLOWING:

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

#### IMPLEMENTATION MECHANISM OF CSR:

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

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

- a Company established under Section 8 of the Act, or a registered public trust or a society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or

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

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

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

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

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

AWL can also engage international organizations for designing, monitoring and evaluation of CSR projects or programmes as per its CSR policy, as well as for capacity building of its own personnel for CSR.

## **CSR EXPENDITURE:**

### **Statutory requirement**

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

### **Set-off**

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

### **Ongoing project**

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

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

### **Surplus**

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

### **Administrative Overheads**

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

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



### Creation or Acquisition of a Capital Asset

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

### Unspent Amount

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of 6 (six) months of the expiry of the financial year.

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

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

### MODALITIES FOR UTILIZATION OF FUNDS:

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

#### 1. Up skilling India to make more Indians have / get meaningful jobs through Education, Training

(basic education, up-skilling India with welding skills):

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

#### 2. Women empowerment:

Providing a safe working environment for women

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

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

#### 4. Welfare Activities

Undertaking relief / welfare activities, especially during pandemic.

### MONITORING MECHANISM:

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

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

This policy was approved by the Board on Friday, 20<sup>th</sup> May, 2022.

## ANNEXURE II - TO THE DIRECTORS' REPORT

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

#### A. Conservation of Energy

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

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

1. Installed Solar Power Plant at Silvassa Factory with the capacity of 115 KWP, during FY 2021-22, which generated 1,28,603 units in FY 2023-24.
2. Installed Solar Power Plant at Raipur Factory with the capacity of 518 KWP, during FY 2019-20, which generated 4,36,562 units, effectively reducing the greenhouse gas emission by 273.3 MT in FY 2023-24.
3. Installed LPG gas ovens during the last 02 (two) years, which resulted in saving of electrical power and improved the overall baking efficiency at Raipur Factory.

#### B. Technology Absorption

As a pioneer in the welding industry and a major supplier of a variety of Welding Consumables, Equipment and Automation systems to National as well as International markets, AWL is consistently investing in "Technology and Innovation" to deliver the best / "state of the art" products. The Company has 2 (two) Technology Development Centers (TDCs), 1 (one) each for Consumables and Equipment, both located at Chinchwad, Pune in Maharashtra. The TDCs continue to pursue their goals, with renewed vigor, in terms of innovation, upgradation, improvements & cost optimization. These TDCs regularly interact with the market / users for improving the competitive features and performance of the Company's products.

Some of the significant technology absorption / innovations w.r.t. TDCs are listed hereunder:

##### TDC Equipment:

- Developed Battery operated E-Welder, which can replace the Engine driven welders for usage in remote areas as well as welding in absence of electricity. This will be a major solution for welding without emission of carbon, if fossil fuel is used.
- With continuous work on improvement of our Pulse MIG machine, the welding performance in specific welding applications are successfully achieved by developing the specific software to control the welding arc dynamics.
- Added synergic lines for single point control of Pulse MIG machine for specific combinations of shielding gases and welding material. This enables user to set the welding parameters quickly for special welding materials.
- Developed specific alternator of Engine driven welding machine to increase the Auxiliary Power delivery rating from 18KVA to 22KVA by utilizing the engine power efficiently and without increasing engine power.
- Designed the packaging of all welding equipment in paper based corrugated material to eliminate the wooden packaging. This new design of packaging has also reduced the usage of plastic wrapping film, which was used for protection against humidity during transportation and storage. This new design of packaging has helped reduce the usage of plastic & wood & has protected the environment.

**TDC Consumables:**

- The Sales support team & QC support team is working in tandem with Product Management Team for business promotion, Process upgradation at plant level, etc.
- Developed special grade welding consumables, those are presently being imported.
- Exploring newer aspects of product development & trying to contribute for high-end fabrication segment in welding technology, cladding etc.
- Additional focus is given to Special welding consumables, Nickel welding alloys, etc. for promoting & addressing these areas.

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

Particulars	(Rs. in Lakhs)	
	FY 2023-24	FY 2022-23
Capital	660	43
Recurring	109	441
<b>Total</b>	<b>769</b>	<b>484</b>
Total R & D expenditure, as a percentage of total turnover	0.87%	0.62%

**Foreign Exchange Earnings & Outgo:**

Particulars	(Rs. in Lakhs)	
	FY 2023-24	FY 2022-23
Foreign Exchange Earnings	12,213	7,129
Foreign Exchange Outgo	9,227	6,375

**For and on behalf of the Board**

Ninotchka Malkani Nagpal  
**Executive Chairman**  
 (DIN: 00031985)

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

## ANNEXURE III – TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024, in terms of Regulation 34(3) read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] is set out below. In this report, we confirm the compliance of Corporate Governance criteria, as required under the said SEBI (LODR) Regulations, 2015.

#### 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 undertake its fiduciary responsibilities towards all its stakeholders by ensuring transparency, fair play & independence in its decision making. The Company's Policies are an extension of its values and reflect its 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 it ensures that the Management adheres to the highest standards of ethics, transparency and disclosures.

##### 2.1 Core Skills / Expertise of the Board

The Board of Directors, at its meeting held on 30<sup>th</sup> April, 2024, has approved the following list of core skills / expertise in context of / with respect to the line of business of the Company, for it to function effectively. The below matrix summarizes a mix of skills, expertise & competencies, possessed by the individual Directors on the Board, which are key to good corporate governance and Board effectiveness:

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

Sr. No.	Core Skills / Expertise	Name of the Director(s)
9.	Intellectual Property, Joint Ventures & International Law	Mr. Piyush K. Gupta
10.	Digital transformation, data analytics, B2B and CRM Marketing	Mr. Gaurav M. Lalwani, Ms. Tanya H. Advani
11.	Generative AI, Process Automation, Global Marketing, Risk Management and Data Governance	Mr. Gaurav M. Lalwani

## 2.2 Composition, Number of Meetings held and Attendance

In order to maintain independence of the Board, we have a judicious mix of Executive, Non-Executive & Independent Directors. The Board of Directors of the Company, as of 31<sup>st</sup> March, 2024 comprises of 11 (eleven) Directors, consisting of 2 (two) Executive / Whole-Time Directors and 9 (nine) Non-Executive Directors including 6 (six) 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 (LODR) Regulations, 2015. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with the statutory as well as business requirements. The Board of Directors meet, generally once in every quarter, primarily to review the quarterly performance and the financial results of the Company, amongst other things. The Meetings of the Board of Directors & the Committees of the Board are usually held at the Registered Office of the Company. The Meetings are scheduled well in advance and the intimation of each Board & Committee Meeting is given in writing to each Director / Member about 8 to 10 weeks before the scheduled date of the Meeting. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are then noted at the subsequent Board Meeting.

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

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

During FY 2023-24 under review, the Board of Directors met 4 (four) times, i.e. on 30<sup>th</sup> May, 2023, 02<sup>nd</sup> August, 2023, 08<sup>th</sup> November, 2023 and 01<sup>st</sup> February, 2024. The requisite quorum was present at all the Meetings. The maximum gap between any two consecutive meetings was less than 120 (one hundred & twenty) days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of SEBI (LODR) Regulations, 2015 and the Secretarial Standard (SS), issued by the Institute of Company Secretaries of India (ICSI). The Board has accepted almost all the recommendations of its committees, during the relevant financial year.

Brief details of the Board Meetings held during FY 2023-24 are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
1.	30 <sup>th</sup> May, 2023	11	11	6
2.	02 <sup>nd</sup> August, 2023	11	11	6
3.	08 <sup>th</sup> November, 2023	11	10	5
4.	01 <sup>st</sup> February, 2024	11	10	5

The composition of the Board of Directors, attendance at the Board Meetings, held during FY 2023-24 and at the last Annual General Meeting (AGM), 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 2023-24 Attendance at		As on 31 <sup>st</sup> March, 2024			
			Board Meetings	Last AGM (09 <sup>th</sup> August, 2023)	No. of other Directorships #	No. of Directorships in listed entities ^	Committee Positions @	
							No. of Memberships	No. of Chairmanships
1.	Mrs. N. Malkani Nagpal	Executive (Chairman)	4 of 4	Present	2	2	2	0
2.	Mr. A. T. Malkani	Executive (Managing Director)	4 of 4	Present	1	2	0	0
3.	Dr. D. A. Lalvani	Non-Executive	4 of 4	Present	2	2	4	0
4.	Mr. R. A. Mirchandani	Non-Executive	4 of 4	Present	1	1	2	0
5.	Ms. Tanya H. Advani	Non-Executive	4 of 4	Present	2	2	2	1
6.	Mr. P. K. Gupta	Independent	4 of 4	Present	1	1	1	0
7.	Mr. R. N. Sapru	Independent	4 of 4	Present	0	1	0	0
8.	Mr. K. Digvijay Singh	Independent	4 of 4	Present	0	1	0	0
9.	Mr. G. M. Lalwani	Independent	3 of 4	Present	0	1	0	0
10.	Mrs. Nita Dempo Mirchandani	Independent	3 of 4	Present	0	1	0	0
11.	Mr. N. S. Marshall	Independent	4 of 4	Absent	4	4	4	1

**Notes:**

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

^ Includes Directorship in Ador Welding Limited

@ Considered Memberships / Chairmanships of the Audit Committee & the Stakeholders Relationship Committee (SRC) only, other than that of Ador Welding Ltd., as per Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.

None of the Director is a Member of more than 10 (ten) Board Committees and Chairman of more than 05 (five) such Committees [the committees being, Audit Committee and SRC], across all the Public Limited Companies, in which he / she is a Director, as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Company's Board hold the office of Director in more than 20 (twenty) Companies, including 10 (ten) Public Companies and none of the Directors of the Company, are related to each other. As per Regulation 17A of SEBI (LODR) Regulations, 2015, none of the Directors hold Directorship in more than 08 (eight) listed entities and none of the Independent Directors serve as Independent Director in more than 07 (seven) listed entities and in case they are Whole Time Directors / Managing Directors in any listed entity, then they do not serve as Independent Directors in more than 03 (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 / interest.

All the Non-Independent Directors are liable to retire by rotation, except the Managing Director, as the Articles of Association (AOA) specifically provides for the same. The Executive Chairman is also liable to retire by rotation.

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

All the Independent Directors of the Company have certified & confirmed their independence by giving declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence, specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. They have also given declaration under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank, as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors, are required to undertake online proficiency self-assessment test conducted by IICA, within a period of 01 (one) year from the date of inclusion of their names in the data bank or such time, as may be amended by the Central Government. In the opinion of the Board, the Independent Directors, fulfil the criteria of independence, specified in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015. The Board hereby confirms that the Independent Directors fulfill the conditions, specified in these regulations and are independent of the Management.

Details of their directorship in listed entities, other than Ador Welding Limited, and their category of Directorship, as required under SEBI (LODR), Regulations 2015, as on 31<sup>st</sup> March, 2024, 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. Aditya T. Malkani	Ador Fontech Limited – Chairman & Non-Executive Director
3.	Dr. Deep A. Lalvani	Ador Multiproducts Limited – Whole-Time Director
4.	Mr. Ravin A. Mirchandani	NA
5.	Ms. Tanya H. Advani	Ador Multiproducts Limited- Non-Executive Director
6.	Mr. Piyush K. Gupta	NA
7.	Mr. Rakesh N. Sapru	NA
8.	Mr. K. Digvijay Singh	NA
9.	Mr. Gaurav M. Lalwani	NA
10.	Mrs. Nita Dempo Mirchandani	NA
11.	Mr. Navroze S. Marshall	Simmonds Marshall Limited – Managing Director & Executive Director Hindustan Hardy Limited – Independent Director Ador Fontech Limited – Independent Director

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

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

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

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

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

### **Code of Conduct for the Board of Directors & Senior Management:**

The Board of Directors has laid down / adopted a 'Code of Conduct for Board of Directors & Senior Management' for all the Board Members and Senior Management Personnel of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically & with integrity and conduct themselves in professional, courteous and respectful manner. The 'Code of Conduct' has been communicated to the



Directors and the Members of Senior Management & also been posted onto the website of the Company. All the Directors and Senior Management Personnel have confirmed / affirmed compliance with the Code of Conduct for FY 2023-24.

The Company has also adopted a separate code for Independent Directors, as laid down under Schedule IV to the Companies Act, 2013 and the same is also posted onto the website of the Company at the following web-link:<https://www.adorwelding.com/wp-content/uploads/2023/02/Code-of-Conduct-for-Directors-Senior-Managerial-Personnels-1.pdf>

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

### **Committees of the Board:**

The Board of Directors has 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 05 (five) Board Level Committees:

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

### **3) Audit Committee**

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

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

The Audit Committee also reviews and ensures that the financial statements are correct, sufficient and credible with reference, particularly, to the requirements, as enumerated under Part C of Schedule II to SEBI (LODR) 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 2023-24 under review, 04 (four) Audit Committee Meetings were held, i.e. on 30<sup>th</sup> May, 2023, 02<sup>nd</sup> August, 2023, 08<sup>th</sup> November, 2023 and 01<sup>st</sup> February, 2024. The maximum gap between two Meetings was not more than 120 days. The requisite quorum was present at all the Meetings.

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

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

The Company follows best practices in the financial reporting. The Company has been reporting, on quarterly basis, the Unaudited Financial Statements, as required by / under Regulation 33 of SEBI (LODR) Regulations, 2015. The Company's quarterly Unaudited Financial Statements are made available on the website [www.adorwelding.com](http://www.adorwelding.com) and are also uploaded on to the website of the Stock Exchanges, where its shares are listed.

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers apropos, to be present at any of the Audit Committee Meetings, as & when required. The Internal Auditors, who report directly to the Audit Committee and the representatives of the Statutory Auditors also attend the meetings of the Audit Committee, besides the executives invited by the Audit Committee, to be present thereat, if any.

Mr. R. N. Sapru, Chairman of the Audit Committee, was present at the last Seventieth (70<sup>th</sup>) Annual General Meeting of the Company held on Wednesday, 09<sup>th</sup> August, 2023, by Video Conferencing, for addressing the queries of the shareholders.

The composition of the Audit Committee and attendance at the Meetings held in FY 2023-24 is given here under:

Sr. No.	Name of the Member(s)	Position in the Committee	Category of Directorship	Attendance during FY 2023-24
1.	Mr. N. S. Marshall*	Chairman	Independent Director	4 of 4
2.	Mr. P. K. Gupta ^	Member	Independent Director	2 of 2
3.	Mr. R. A. Mirchandani	Member	Non-Executive Director	4 of 4
4.	Mr. R. N. Sapru#	Member	Independent Director	4 of 4

\* Mr. N. S. Marshall was designated as the Chairperson of the Audit Committee of the Company w.e.f. 11<sup>th</sup> August, 2023.

^ Mr. P. K. Gupta ceased to be the Member of the Audit Committee of the Company w.e.f. 10<sup>th</sup> August, 2023.

# Mr. R. N. Sapru ceased to be the Chairperson of the Audit Committee of the Company, but continues to be the Member w.e.f. 11<sup>th</sup> August, 2023

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 for noting.

Subsequent to the financial year ended 31<sup>st</sup> March, 2024, the Audit Committee meeting was held on 30<sup>th</sup> April, 2024, wherein the Audited Financial Results and Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024, were reviewed, considered and recommended to the Board.

#### 4) Nomination & Remuneration Committee

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

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

- Formulating the criteria for determining qualifications, positive attributes and independence of the Director.
- Formulating the criteria for evaluation of the Independent Directors and the Board.
- Evaluating balance of skills, knowledge & experience on the Board and prepare a description of the role and capabilities required of an Independent Director.
- Identifying suitable candidates, by considering / using the services of any external agencies, if required, from a wide range of backgrounds, having due regard to diversity and the time commitments of the candidates.
- Devising a policy on Board diversity.
- Identifying persons, who are qualified to become Directors and who may be appointed in Senior Management, in accordance with the criteria laid down, and recommend to the Board their appointment & removal.
- Ensuring that the level and composition of the remuneration is reasonable & sufficiently good to attract, retain and motivate Directors, with the required competencies, to run the Company successfully & efficiently.
- Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensuring that the remuneration of the Directors, Key Managerial Personnel and Senior Management involves a balance between fixed & variable pay, reflecting short and long- term performance objectives, appropriate to the working of the Company & its goals.
- Carrying out evaluation of every Director's performance, including that of the Independent Directors.
- Reviewing and recommending to the Board, the following:
  - a) Appointment / re-appointment of the Whole-Time Directors and the Non-Executive Directors, including contract terms, performance criteria / targets, fees, travel and other benefits, etc.
  - b) "Remuneration Report", in accordance with the Companies Act, 2013, for inclusion in the Directors' Report.
  - c) "Remuneration Policy"
    - for the Whole-time / Executive Directors and the Non-Executive Directors;
    - for the Key Managerial Personnel & Senior Management, if requested / required by the 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.
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates

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

During FY 2023-24 under review, 02 (two) Nomination & Remuneration Committee (NRC) Meetings were held i.e. on 30<sup>th</sup> May, 2023 and 25<sup>th</sup> January, 2024. The requisite quorum was present at both the Meetings. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

Mr. R. N. Sapru, an Independent Director, was the Chairman of the Nomination & Remuneration Committee (upto 10<sup>th</sup> August, 2023) and he was present at the last Seventieth (70<sup>th</sup>) Annual General Meeting of the Company held on 09<sup>th</sup> August, 2023 through Video Conferencing (VC). Mrs. Nita Dempo Mirchandani, Independent Director was thereafter appointed as the Chairman of the Committee w.e.f. 11<sup>th</sup> August, 2023.

The Nomination & Remuneration Committee (NRC) was re-constituted w.e.f 11<sup>th</sup> August, 2023. The composition of the Nomination & Remuneration Committee (NRC) and the attendance at its Meeting, during FY 2023-24 is given hereunder:

Sr. No.	Name of the Member(s)	Position in the Committee	Category of Directorship	Attendance during FY 2023-24
1.	Mr. R. N. Sapru*	Ex-Chairman	Independent Director	1 of 1
2.	Mr. P. K. Gupta*	Member	Independent Director	1 of 1
3.	Mr. R. A. Mirchandani*	Member	Non-Executive Director	1 of 1
4.	Mrs. Nita Dempo Mirchandani #	Chairman	Independent Director	1 of 1
5.	Mr. Gaurav M. Lalwani #	Member	Independent Director	1 of 1
6.	Dr. Deep A. Lalvani #	Member	Non-Executive Director	1 of 1

\* Mr. R. N. Sapru, Mr. P. K. Gupta and Mr. R. A. Mirchandani were Members of the Committee upto 10<sup>th</sup> August, 2023.

# Mrs. Nita Dempo Mirchandani, Mr. Gaurav M. Lalwani and Dr. Deep A. Lalvani became the Members of the Committee w.e.f. 11<sup>th</sup> August, 2023.

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 for its noting.

Subsequent to the financial year ended 31<sup>st</sup> March, 2024, NRC Meeting was held on 19<sup>th</sup> April, 2024, wherein the remuneration to be paid to Executive Directors & Senior Management, Commission to be paid to the Executive & Non-Executive Directors was determined and evaluation of the performance of the Board, its Committees and the Directors was discussed.

**Performance Evaluation:**

The Nomination & Remuneration Committee, pursuant to Regulation 19 read with Part D (A) of Schedule II to SEBI (LODR) 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 the Annual General Meeting (AGM).
- Quality of inputs (contribution) in the Meetings.
- Contribution towards development of Strategies.
- Contribution towards Risk Management / Mitigation.
- Efforts taken towards acquiring knowledge about the Company and its business.
- Concern towards the holistic development of the Company, short term as well as long term.

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

**Remuneration Policy for the Directors:**

Pursuant to the requirements of the Companies Act, 2013 and Part D(A)(1) of Schedule II to SEBI (LODR) Regulations 2015, the Board has, on the recommendation of NRC, 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(s) such as industry benchmarks, Company's performance vis-à-vis Industry performance / track record / performance of the Managing / Whole-time / Executive Director(s) and the same is recommended to the Board of Directors. The Company pays remuneration by way of salary, perquisites & allowances (fixed component) and Bonus, Performance Incentive & Commission (variable component) upto a maximum of 1% of the net profits of the Company, specifically computed for this purpose, as per the provisions of Section 198 of the Companies Act, 2013, to all / each of its Whole-time / Executive Director(s), as may be recommended by NRC and approved by the Board, such that the total remuneration (including commission / bonus, if any), as decided by the Board of Directors in its absolute discretion, does not exceed the limits prescribed under Section 197, 198 & 200 of the Companies Act, 2013 and Schedule V thereto. In case of inadequate or no profits, remuneration is paid, subject to the provisions of the Act and / or approval of the Shareholders.

In terms of Regulation 17 (6) (e) of SEBI (LODR) (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 NRC, approved the said payment exceeding 5% of the net profits of the Company, to the Executive Directors who are Promoters / Member of Promoter Group and fresh approval of the Shareholders are taken at the time of their respective re-appointments.

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

## II. Remuneration to the Non-executive Directors:

As required under Schedule V(C)(5)(b) to SEBI (LODR) Regulations 2015, the Company has uploaded the criteria for payment of Remuneration to its Non- Executive Directors onto the website of the Company, at the following web link: [https://www.adorwelding.com/wp-content/uploads/2021/07/criteria\\_for\\_payment\\_to\\_NEDs.pdf](https://www.adorwelding.com/wp-content/uploads/2021/07/criteria_for_payment_to_NEDs.pdf)

The summary of the remuneration paid / payable to all the Directors for FY 2023–24 is given below:-

(Rs. in Lakhs)						
Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Commission	Sitting Fees @	Total £
1.	Mrs. N. Malkani Nagpal	160.18	7.40	10.06	--	<b>177.64</b>
2.	Mr. A. T. Malkani	155.03	6.11	10.06	--	<b>171.20</b>
3.	Dr. D. A. Lalvani	--	--	10.06	--	<b>10.06</b>
4.	Mr. R. A. Mirchandani	--	--	10.06	--	<b>10.06</b>
5.	Ms. Tanya H. Advani	--	--	10.06	--	<b>10.06</b>
6.	Mr. P. K. Gupta	--	--	10.06	1.00	<b>11.06</b>
7.	Mr. R. N. Sapru	--	--	10.06	1.45	<b>11.51</b>
8.	Mr. K. Digvijay Singh	--	--	10.06	0.60	<b>10.66</b>
9.	Mr. G. M. Lalwani	--	--	10.06	0.95	<b>11.01</b>
10.	Mrs. Nita Dempo Mirchandani	--	--	10.06	0.60	<b>10.66</b>
11.	Mr. N. S. Marshall	--	--	10.06	1.30	<b>11.36</b>
	<b>Total</b>	<b>315.21</b>	<b>13.51</b>	<b>110.66</b>	<b>5.90</b>	<b>445.28</b>
# Fixed Component						
@ As Member / Invitee, wherever applicable						
£ Excluding TDS / GST						

### Notes:

- The Whole Time Directors, as per their Agreements, are entitled to Commission upto 1% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013.
- The Non - Executive Directors are also entitled to commission upto 1% of the net profits of the Company proportionately / on pro-rata basis collectively, as calculated under Section 198 of the Companies Act, 2013.
- The Agreement with the Whole time Directors is for a period of 03 (three) years. Either party to the Agreement is entitled to terminate the Agreement by giving 03 (three) months' notice to the other party, as mentioned in the Agreement.
- All the Promoter Directors, including the Executive Chairman & the Whole – Time Director, are liable to retire by rotation.
- According to the Articles of Association (AOA) of the Company, the Managing Director is not liable to retire by rotation.
- As per the Companies Act 2013, none of the Independent Directors are liable to retire by rotation.
- The Company does not have any stock option scheme for its Directors or employees, as of 31<sup>st</sup> March, 2024.
- 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 request for 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 2023-24 under review, 2 (two) Stakeholders Relationship Committee (SRC) Meetings were held, i.e. on 21<sup>st</sup> April, 2023 and 25<sup>th</sup> January, 2024. The requisite quorum was present at both the Meetings.

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

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

Sr. No.	Name of the Member (s)	Position in the Committee	Category of Directorship	Attendance during FY 2023-24
1.	Mr. G. M. Lalwani	Chairman	Non - Executive & Independent Director	2 of 2
2.	Dr. Deep A. Lalvani	Member	Non - Executive Director	2 of 2
3.	Ms. Tanya H. Advani	Member	Non - Executive Director	2 of 2

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

We strive to ensure that the 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 for their perusal.

Mr. G. M. Lalwani, an Independent Director, is the Chairperson of the Stakeholders' Relationship Committee and he was present at the last 70<sup>th</sup> Annual General Meeting of the Company held on 09<sup>th</sup> August, 2023, through Video Conferencing (VC).

**Compliance Officer:**

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

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

- The total number of complaints received and replied, to the satisfaction of the shareholders, during FY 2023-24 are 13 (Thirteen).
- There were no complaints pending as on 31<sup>st</sup> March, 2024.
- The Investors can raise complaints in a centralized web-based complaints redressal system called "SCORES 2.0". The Company uploads the action taken report (ATR) on the complaints raised by the Shareholders, on "SCORES 2.0", which can be viewed by the Shareholders.
- The Securities & Exchange Board of India (SEBI), vide its Circular dated 31<sup>st</sup> July, 2023 (further updated as on 04<sup>th</sup> August, 2023), announced the introduction of a common Online Dispute Resolution Portal ("ODR Portal"), whereby the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Stock Exchanges and Depositories (collectively referred to as Market Infrastructure Institutions (MIs)), by expanding their scope and by establishing a common ODR Portal, which harnesses online conciliation and online arbitration for resolution of disputes, arising in the Indian Securities Market.
- The complete Master Circular for Online Dispute Resolution, issued by SEBI, can be accessed on the website of the Company at <https://www.adorwelding.com/wp-content/uploads/2023/11/Master-Circular-for-Online-Resolution-of-Disputes-in-the-Indian-Securities-Market-Updated-as-on-August-11-2023.pdf>
- The ODR Portal named "SMART ODR" can be accessed through the URL: <https://smartodr.in/login>
- The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director(s)	Shareholding (No. of Shares held) as on 31 <sup>st</sup> March, 2024
1.	Mrs. Ninotchka Malkani Nagpal	1,99,952
2.	Mr. Aditya T. Malkani	1,23,198
3.	Dr. Deep A. Lalvani	4,419
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.	Mr. Gaurav M. Lalwani	10
10.	Mrs. Nita Dempo Mirchandani	Nil
11.	Mr. Navroze S. Marshall	40,031



## 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 CSR Committee broadly comprise the following:

- Formulating & recommending to the Board, a CSR policy, which shall indicate the activities, that can be undertaken by the Company, pursuant to Schedule VII to the Companies Act, 2013.
- Recommending the annual budget of the CSR expenditure / activities, which indicates the amount of expenditure to be incurred on the CSR projects / programmes, every year.
- 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.
- Informing the Board, the projects, that can be considered as “ongoing projects” of the Company, at the end of every financial year, if any.

CSR Policy is formulated and approved by the Board, as mandated under the provisions of Section 135 of the Companies Act, 2013. The CSR Policy & CSR activities / initiatives carried-out during the financial year (FY) 2023-24 are posted onto the Company’s website on the following web-link: <https://www.adorwelding.com/wp-content/uploads/2022/05/CSR-Policy-FY-2022-23.pdf>

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

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

During FY 2023-24 under review, 2 (two) CSR Committee Meetings were held, i.e. on 21<sup>st</sup> April, 2023 and 09<sup>th</sup> October, 2023. The requisite quorum was present at both the Meetings.

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

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

Sr. No.	Name of the Member(s)	Position in the Committee	Category of Directorship	Attendance during FY 2023-24
1.	Dr. Deep A. Lalvani	Chairman	Non-Executive Director	2 of 2
2.	Mrs. Nita Dempo Mirchandani	Member	Non-Executive & Independent Director	2 of 2
3.	Mrs. N. Malkani Nagpal	Member	Executive Chairman	2 of 2

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

## 7) Risk Management Committee

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

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

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

- Formulating detailed Risk Management Policy, which includes the following:
  - a. A framework for identification of internal and external risks, specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks in particular or any other risk, as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- Ensuring appropriate methodology, process and systems are in place, to monitor and evaluate risks, associated with the business of the Company.
- Monitoring & overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Reviewing the risk management policy, at least once in every 02 (two) years, by considering the changing industry dynamics and evolving complexity.
- Keeping the Board of Directors informed about the nature and content of its discussions, recommendations & actions, to be taken.
- Reviewing the appointment, removal & remuneration of the Chief Risk Officer (if appointed).

### Composition, Number of Meetings held and Attendance

During FY 2023-24 under review, 2 (two) Risk Management Committee meetings were held i.e. on 27<sup>th</sup> April, 2023 & 17<sup>th</sup> October, 2023. The requisite quorum was present at both the Meetings.

The composition of the Risk Management Committee and the attendance at its Meetings, during the FY 2023-24 is given hereunder:

Sr. No.	Name of the Member(s)	Position in the Committee	Category of Directorship	Attendance during FY 2023-24
1.	Mr. Gaurav M. Lalwani	Chairman	Non – Executive & Independent Director	2 of 2
2.	Mrs. Ninotchka Malkani Nagpal	Member	Executive Chairman	2 of 2
3.	Mr. Surya Kant Sethia	Member	Chief Financial Officer (CFO)	2 of 2

A detailed Risk Management Policy has been formulated & approved by the Board, as mandated under Regulation 21 of SEBI (LODR) Regulations, 2015. The Risk Management Policy is posted onto the Company's website at the following web-link: <https://www.adorwelding.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf> The highlights of each of RMC Meetings are informed / presented at the Board Meeting and key risks highlighted by RMC, are discussed thereat. Subsequently, the Minutes of RMC Meetings are also sent to the Board for noting.

## 8) General Body Meetings

Location & time of the last 03 (three) Annual General Meetings of the Company is given below:

Sr. No.	Financial Year	Date	Location	Time
1.	2022-23	09 <sup>th</sup> August, 2023	Through Video Conferencing (VC), deemed to be held at the registered office of the Company	11:00 am
2.	2021-22	27 <sup>th</sup> July, 2022	Through Video Conferencing (VC), deemed to be held at the registered office of the Company	11:00 am
3.	2020-21	12 <sup>th</sup> August, 2021	Through Video Conferencing (VC), deemed to be held at the registered office of the Company	11:00 am

All the special resolutions, moved in the previous 03 (three) Annual General Meetings, were passed by the majority of the Members present & voted at the Meeting / remotely e-voted before the Meeting and there were 02 (two) special resolutions in last AGM of FY 2022-23.

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 10 (ten) 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	2022-23	175	Final	2,155.19	224.54	2,379.73	5,929.00	40.14
2	2021-22	125	Final	1,546.34	153.50	1,699.84	4,519.00	37.62
3	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	2019-20	65	Interim	883.90	181.73	1,065.63	2,877.00	37.04
5	2018-19	65	Final	883.90	181.73	1,065.63	2,385.00	44.68
6	2017-18	50	Final	679.92	138.42	818.34	1,856.00	44.09
7	2016-17	50	Final	679.92	138.42	818.34	1,812.00	45.16
8	2015-16	50	Final	679.92	138.42	818.34	2,264.76	36.13
9	2014-15	50	Final	679.92	138.42	818.34	3,237.32	25.28
10	2013-14	50	Final	679.92	115.55	795.47	422.70	188.19

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

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

Pursuant to Schedule IV to the Companies Act, 2013, every Independent Director has been issued a letter of Appointment, containing the terms & conditions of his / her appointment. The terms & conditions of appointment have been posted on the website of the Company at [https://www.adorwelding.com/wp-content/uploads/2021/07/terms\\_and\\_conditions\\_of\\_appointment\\_of\\_independent\\_Directors2019.pdf](https://www.adorwelding.com/wp-content/uploads/2021/07/terms_and_conditions_of_appointment_of_independent_Directors2019.pdf)

### 9.1 Independent Directors' Meeting:

During the financial year under review, the Independent Directors met on Thursday, 01<sup>st</sup> February, 2024, without the attendance of Non-Independent Directors and the Members of the Management, inter alia, to discuss the following:

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

#### **Familiarization Program for the Independent Directors:**

Pursuant to Regulation 25 (7) of SEBI (LODR) Regulations 2015, the Company carries out Familiarization Program for the Independent Directors w.r.t. nature of the industry, in which the Company operates, business model of the Company, etc., through which the Independent Directors are briefed on the affairs & operations of the Company and their roles / responsibilities thereon. The methodology of the Familiarization Program is uploaded on the Company's website at the following web link: <https://www.adorwelding.com/wp-content/uploads/2023/02/Familiarization-Programme-for-Independent-Director-2.pdf>

### 9.2 Materially significant Related Party Transactions (RPTs):

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

During FY 2023-24 under review, there were no materially significant Related Party Transactions (RPTs) of the Company executed with its Promoters, Directors or the Senior Management Personnel or their relatives, as well as its subsidiaries, etc that had a potential conflict with the interest of the Company at large. All the transactions were on arms' length basis and had no potential conflict with the interest of the Company, at large and were carried out on fair value basis.

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

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

The Company has formulated "Related Party Transactions Policy", as required under the provisions of the Companies Act, 2013 & Regulation 23 (1) of SEBI (LODR) Regulations, 2015, and the same is uploaded on the Company's website at the following web link: <https://www.adorwelding.com/wp-content/uploads/2024/02/RPT-Materiality-Policy-2023-24.pdf>

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

#### **Material Subsidiaries:**

The Company did not have any Material Subsidiary in the financial year 2023-24 and as of 31<sup>st</sup> March, 2024.

Pursuant to Regulation 16(1)(c) of SEBI (LODR) 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/wp-content/uploads/2021/07/Policy-for-determining-Material-Subsidiary.pdf>

#### **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or the Securities & Exchange Board of India (SEBI) or any Authority, on any matter related to capital markets during the last three (03) financial years:**

The Company has generally complied with all the known rules & regulations prescribed by the Stock Exchanges, where the shares of the Company are listed, the Securities & Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) and all other Statutory Authorities relating to the capital markets during the last three (03) financial years. There were no instances of levy of any penalties or strictures on the Company.

#### **9.4 Vigil Mechanism - Whistle Blower Policy:**

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has established Vigil Mechanism-cum-Whistle Blower Policy, to enable its Directors, Employees & Stakeholders to report the instances of any unethical / improper activity in the Company. The mechanism provides for adequate safeguards against victimization of employees, Directors & stakeholders, who use such mechanism. The said Policy is uploaded on the Company's website, on the following web link:

##### **For Stakeholders-**

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

##### **For Directors & Employees-**

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

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

#### **9.5 Statutory Audit Fees:**

The Statutory Auditors of the Company, M/s. Walker Chandlok & Co. LLP, Chartered Accountants, Mumbai are being paid a total fees of Rs. 42.50 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 2023-24.

## 10) Means of Communication

- 10.1** The Company regularly publishes its Quarterly / Half-yearly & Annual Financial Results in newspapers, viz. Business Standard (English) & Mumbai Sakal (Marathi) and simultaneously uploads them onto the website of the Company: <https://www.adorwelding.com/>. Hence, the financial results are not sent / posted to the shareholders residence. The Annual Report is e-mailed to those Shareholders, whose e-mail IDs are registered with the Company / RTA / DP and posted / sent / couriered to balance / other shareholders, who either do not have e-mail IDs or whose e-mail IDs are not registered with the Company / RTA / DP, (except for 68<sup>th</sup> Annual Report for FY 2020-21, 69<sup>th</sup> Annual Report for FY 2021-22, 70<sup>th</sup> Annual Report for FY 2022-23 & 71<sup>st</sup> Annual Report for FY 2023-24) or who have specifically requested for a physical copy. The Company has a designated e-mail id: [investorservices@adorians.com](mailto:investorservices@adorians.com) exclusively for investor relation, and the same is prominently displayed on the Company's website [www.adorwelding.com](http://www.adorwelding.com). A separate dedicated section under "Investors" tab, on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.
- 10.2** As a part of Green Initiative, the Members who wish to receive the notices / documents through e-mail, may kindly intimate their e-mail addresses to the Company at [investorservices@adorians.com](mailto:investorservices@adorians.com).
- 10.3** Schedule of investors & / or analysts meet, the presentation made to the institutional investors & / or to the analysts, audio / video recording & transcript of the analysts meet is intimated to / uploaded onto the Stock Exchanges, within the prescribed time period, specified under SEBI (LODR) Regulations, 2015 and also hosted on the Company's website.
- 10.4** The Management Discussion & Analysis (MDA) Report is an integral part of the Annual Report. (Refer Annexure IV to the Directors' Report).

## 10.5 General Shareholder Information

Day, Date and Time of Annual General Meeting	Friday, 26 <sup>th</sup> July, 2024 at 11:00 am (IST)
Venue of the Annual General Meeting	through VC, pursuant to MCA circulars
Financial Year (FY)	01 <sup>st</sup> April, 2023 – 31 <sup>st</sup> March, 2024
Cut-off date for e-voting	Friday, 19 <sup>th</sup> July, 2024.
Financial Reporting Calendar for FY 2024–25	Financial (unaudited) Reporting for the quarter ending June, 2024 – by 14 <sup>th</sup> August, 2024
	Financial (unaudited) Reporting for the quarter ending September, 2024 – by 14 <sup>th</sup> November, 2024
	Financial (unaudited) Reporting for the quarter ending December, 2024 – by 14 <sup>th</sup> February, 2025
	Financial (audited) Reporting for the financial year ending March, 2025 – by 30 <sup>th</sup> May, 2025

### Investor Education and Protection Fund (IEPF):

- During FY 2023-24, the unclaimed dividend amount of Rs. 18,65,560/- pertaining to the Dividend for FY 2015-16 was transferred to IEPF.
- During FY 2023-24, 13,182 Equity Shares, on which dividend had remained unclaimed for a period of 07 (seven) consecutive years, were transferred to IEPF Authority.
- Before transferring the unclaimed dividends to IEPF, letters are sent to those Members, whose unclaimed dividends are due for transfer, to enable them to claim the dividends before the due date for such transfer. The details of unclaimed / unpaid dividends are available / posted / uploaded on the website of the Company.
- During FY 2024-25, about 11,965 Equity Shares, on which dividend shall remain unclaimed for a period of 07 (seven) consecutive years, will be liable to be transferred to IEPF Authority on or before 04<sup>th</sup> November, 2024, unless Dividend is claimed on these shares, till the date of transfer.

- Year wise amount of unpaid / unclaimed dividend lying in the unpaid Dividend account up to the financial year ended 31<sup>st</sup> March, 2024 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.	2022-23	18,74,209	1,15,611	If the dividend remains unclaimed for a period of 7 consecutive years (till 05 <sup>th</sup> October, 2024), then unclaimed dividend / corresponding shares will be transferred to IEPF
2.	2021-22	16,60,449	1,42,959	
3.	2020-21	NIL	NIL	
4.	2019-20	13,17,334	2,02,472	
5.	2018-19	12,01,645	1,84,827	
6.	2017-18	11,06,930	2,21,386	
7.	2016-17	18,95,675	3,79,135	

### Credit Rating:

Pursuant to SEBI (LODR) Regulations, 2015, the details of credit rating obtained by the Company from CARE for all its outstanding instruments, as on 31<sup>st</sup> March, 2024 are enumerated below:

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

Further, the details of credit rating obtained by the Company from CRISIL, for all its outstanding instruments, as on 31<sup>st</sup> March, 2024 are enumerated below:

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

The detailed information of credit rating is uploaded on the website of the Company, at the following web-link: <https://www.adorwelding.com/wp-content/uploads/2023/04/Credit-Rating-For-Ador-Welding-Limited-1.pdf>

### Listing:

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

Name of the Stock Exchange	Address	Scrip Code / Symbol
BSE Limited, Mumbai	Phiroze Jeejeebhoy Towers, 01 <sup>st</sup> 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:

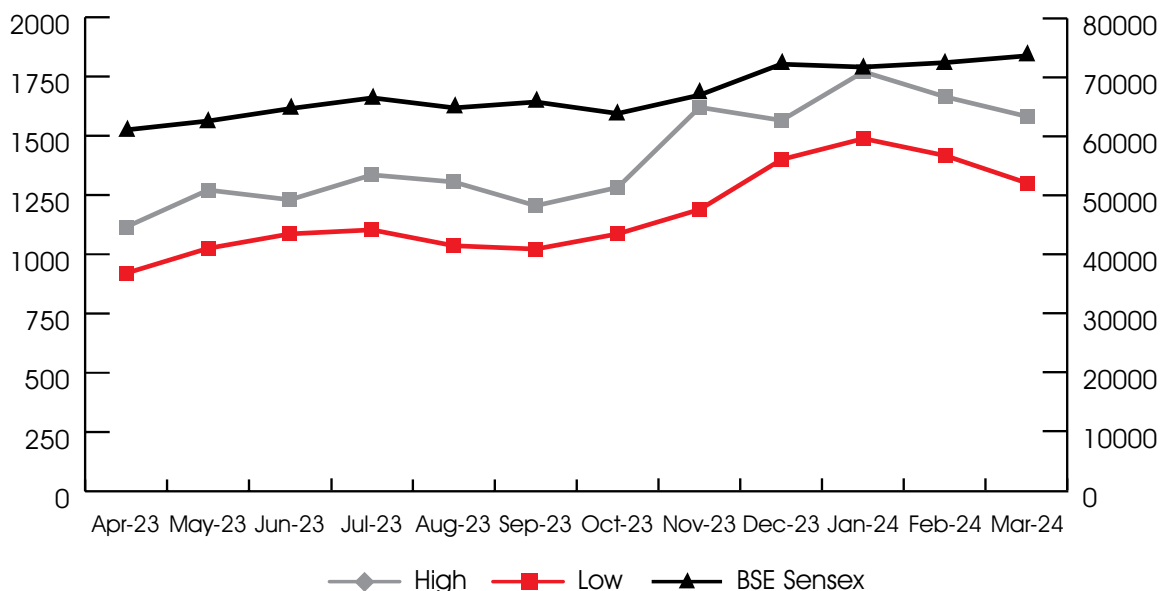
The annual listing fees and custodial fees for the financial year 2024-25 has been paid by the Company within the stipulated timeline.

### Market Price Data:

Market Price data, during each month of FY 2023-24, is given hereunder:

INDEX	BSE				NSE			
	Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	No. of Shares
April, 2023	1,115.05	919.55	92,956	15,326	1,117.15	921.10	7,94,166	95,039
May, 2023	1,271.00	1,025.10	1,98,545	29,896	1,270.10	1,025.00	12,32,949	1,51,069
June, 2023	1,230.10	1,085.90	83,737	13,403	1,231.00	1,085.30	8,06,106	96,148
July, 2023	1,334.55	1,102.50	84,623	14,882	1,337.60	1,101.05	9,54,266	1,44,022
August, 2023	1,305.00	1,036.15	1,07,116	16,886	1,314.90	1,037.00	12,36,156	1,57,091
September, 2023	1,205.30	1,022.45	26,275	4,540	1,221.00	1,022.00	4,86,558	82,698
October, 2023	1,281.75	1,086.05	38,667	7,369	1,281.85	1,090.00	5,54,104	87,911
November, 2023	1,619.85	1,189.15	1,73,201	26,016	1,620.00	1,186.85	24,41,159	2,53,015
December, 2023	1,565.00	1,400.00	43,668	8,991	1,568.00	1,400.20	4,57,704	95,343
January, 2024	1,770.00	1,487.75	45,396	8,469	1,770.00	1,488.00	9,05,958	1,51,760
February, 2024	1,663.80	1,415.50	38,307	5,695	1,665.00	1,417.00	6,32,033	99,901
March, 2024	1,580.80	1,300.10	54,529	9,278	1,589.00	1,299.65	6,09,619	97,641

### COMPANY SHARE PRICE WITH MONTHLY HIGH & LOW V/S 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 and other related work is handled by the Company's RTA at the following address:

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

**Share Transfer System:**

Shares lodged for physical transfer (in the nature of Transmission or Name Deletion or Transposition) with RTA of the Company are normally processed within a period of 15 days from the date of lodgment, provided the documents are in order / 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 07 (seven) working days.

**Distribution of shareholding as on 31<sup>st</sup> March, 2024:**

Sr. No.	Range of Shareholding	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1.	1-100	25,957	81.57	6,09,921	4.49
2.	101-200	2,722	8.55	4,14,081	3.05
3.	201-500	2,351	7.39	6,94,245	5.11
4.	501-1,000	396	1.24	3,01,663	2.22
5.	1,001-5,000	305	0.96	6,54,016	4.81
6.	5,001-10,000	42	0.13	3,06,554	2.25
7.	10,001-1,00,000	37	0.12	10,74,549	7.90
8.	1,00,001 and above	12	0.04	95,43,438	70.18
	<b>Total</b>	<b>31,822</b>	<b>100.00</b>	<b>1,35,98,467</b>	<b>100.00</b>

### Shareholding Pattern (category wise) as on 31<sup>st</sup> March, 2024:

Sr. No.	Category	No. of Shares Held	% of Total Shareholding
1.	Promoters	77,38,162	56.90
2.	Mutual Funds	4,47,058	3.29
3.	Banks & Financial Institutions (FIs)	532	0.00
4.	Foreign Portfolio Investors	12,975	0.10
6.	NRIs	2,65,897	1.96
7.	Foreign nationals	1,182	0.01
8.	Trusts	1,000	0.01
9.	Investor Education and Protection Fund (IEPF)	2,66,842	1.96
10.	HUFs	5,16,137	3.80
11.	Private Corporate Bodies & LLPs	3,65,406	2.69
12.	Resident Individuals	36,48,237	26.83
13.	Clearing Members	1,669	0.01
14.	Alternate Investment Funds	3,33,220	2.45
15.	Suspence Escrow Demat Account	150	0.00
	<b>Total</b>	<b>1,35,98,467</b>	<b>100.00</b>

#### De-materialization of Shares and Liquidity:

- 1,32,29,558 Equity shares of the Company, representing about 97.29% (NSDL 84.61% & CDSL 12.68%) of the total shares of the Company, have been dematerialized as on 31<sup>st</sup> March, 2024.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in de-materialized form with effect from 08<sup>th</sup> May, 2000 and the said shares 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, subscribed, paid up and listed capital. This audit is carried out in 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 Share Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares held in physical form.

#### Statutory Compliance:

During FY 2023-24 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 and 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, whenever necessary / required. The Company does not hedge in commodity prices.

**Plant Locations:**

The Company has the following manufacturing plants as of 31<sup>st</sup> March, 2024:

<b>Raipur Plant</b>	<b>Silvassa Plant</b>
Industrial Estate, Bilaspur Road, Birgaon, Raipur - 493 221, Chattisgarh, India	Survey No. 59/11/1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230, UT of Dadra & Nagar Haveli, India
<b>Chinchwad Plant, Pune</b>	
Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019, Maharashtra, India	

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

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

**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 31<sup>st</sup> March, 2024 have been provided in the Directors' Report, which are "Nil".

**Disclosure on Compliance:**

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

**Disclosure on Accounting treatment in preparation of Financial Statements:**

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

**Disclosures with respect to demat suspense account / unclaimed suspense account:**

In accordance with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022, the Company has opened a Suspense Escrow Demat Account with a DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders, in lieu of physical share certificate(s), to enable them / him / her make a request to DP for dematerialising their shares.

During the year under review (upto 31<sup>st</sup> March, 2024), 250 equity shares has been transferred to Unclaimed Suspense Escrow Demat Account, out of which 100 equity shares were transferred back to the demat account of the Shareholder, on receipt of request from the Shareholder. The closing balance of suspense escrow demat as on 31<sup>st</sup> March, 2024 is 150 equity shares.

**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 a 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 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 Tarachand Malkani.

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

There are no modified opinions in the audit report for FY 2023-24.

- **Training of the Board Members:**

The necessary training is being 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 2023-24, to conduct the Internal Audit w.r.t. all its Plants, sales offices and Head (Registered) Office, as per the scope approved by the Audit Committee. The internal auditor reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee, which reviews the audit reports and suggests necessary corrective action, if any / required.

A certificate from a Company Secretary in practice stating / confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / the Ministry of Corporate Affairs (MCA) 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. N. L. Bhatia & Associates, Practicing Company Secretaries (Firm Registration No. P1996MH055800) for compliance with SEBI (LODR) Regulations, 2015, is annexed to the Report.

**For and on behalf of the Board**

Ninotchka Malkani Nagpal  
**Executive Chairman**  
(DIN: 00031985)

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

### **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 Ador Welding Limited have affirmed compliance with the Code of Conduct of the Board of Directors & Senior Management, adopted by the Company, for FY 2023-24.

**For and on behalf of the Board**

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

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

## CERTIFICATE ON CORPORATE GOVERNANCE

To

the Members of **ADOR WELDING LIMITED**

We have examined all the relevant records of **Ador Welding Limited** ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") for the period from April 01, 2023 to March 31, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations & information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance, as stipulated in the said LODR Regulations.

We further 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.

For **N. L. Bhatia & Associates**  
**Practising Company Secretaries**  
**UIN:** P1996MH055800  
**Peer Review No.:** 700/2020

Bharat Upadhyay  
**Partner**

**FCS:** 5436

**CP No.** 4457

**UDIN:** F005436F000276718

**Date:** 30<sup>th</sup> April, 2024

**Place:** Mumbai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
the Members of **ADOR WELDING LIMITED**

I 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 registered office at Ador House, 6, K. Dubash Marg, Fort, Mumbai – 400 001 -16 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as stated / listed below for the Financial Year ending on 31<sup>st</sup> March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of the Company, by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) or any such other Statutory / Regulatory Authority.

Sr. No.	Name of Director(s)	DIN	Date of appointment in the Company
1.	Ninotchka Malkani Nagpal	00031985	03/10/1997
2.	Aditya Tarachand Malkani	01585637	27/07/2007
3.	Dr. 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
11.	Navroze Shiamak Marshall	00085754	21/05/2022

Ensuring the eligibility 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 these, 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 Hemanshu Kapadia & Associates  
Practicing Company Secretaries**

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

Hemanshu Kapadia  
**Proprietor**  
**C.P. No.** 2285  
**Membership No.:** F3477  
**UDIN:** F003477F000272768  
**PR No.** 1620/2021

## ANNEXURE IV - TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### OVERVIEW:

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

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

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Welding Industry forms the backbone of the manufacturing sector, which is expected @ 17% of GDP. Welding is critical for many manufacturing processes and the quality of welding has a direct impact on the quality of the final product.

The last financial year 2023-24 (FY24) commenced with strong expectations of economic growth.

In 2023, amidst a challenging global scenario, India emerged as a significant economic and geopolitical power. India assumed the presidency of G20, emphasizing a rule-based international order, advocating for collaboration to solve common issues. India's role positioned it as a stabilizing force in an increasingly complex global geopolitical landscape. The global economy faced volatility and unpredictability due to geopolitical tensions, economic fragmentation, and financial turbulence. India was partly affected due to this and it continued to focus on infrastructural development, amongst other things. While macroeconomic stability remains anchored by moderating inflation, ongoing fiscal consolidation, and a modest current account deficit, global headwinds pose risks. These include high global interest rates, geopolitical strife, and sluggish global demand. India's growth trajectory remains resilient, but challenges persist.

The Company continued to focus on product mix and cost reduction control measures to sustain growth and profitability.

The Capital goods segment witnessed some revival in activity over the previous year. New product launches continued to show encouraging results. The Company witnessed reasonably stable market conditions, despite the volatilities, to achieve growth in sales and profits.

Significant growth in the manufacturing industries is boosting the market's outlook. In line with this, rising demand for welding consumables in the energy sector is fuelling market expansion. Other factors, such as, extensive growth in the automotive industry and various technological advancements, such as the use of dissimilar metal welding via fibre lasers in the production of electric cars, are expected to drive the market further in the country. Furthermore, the Indian welding equipment and consumables market is expected to benefit from the growth of the railway industry, mining industry and defence. With large outlays in Defence sector, in the coming years, shipbuilding, airports, roads & tunnels, maintenance of vehicles & equipment, new technologies in Drones etc. will be the sectors to look forward to.

We have a sizable market share in both, the consumable and equipment markets (organised), and we are market pioneers in a variety of goods & geographies. We wish to cater to all the customer needs, with our solutions and products under one roof, through our Welding & Cutting Automation (WCA) division.

According to CEICdata.com, India's gross fixed capital formation (GFCF) in the year 2024 is INR 94,341.903 billion and in the year 2025 GFCF is expected to be INR 105,249.815 billion. The Reserve Bank of India (RBI) expects GFCF to grow by 8.1% in FY 2024-25, and real private final consumption expenditure (PFCE) to grow by 6.1%. The RBI has also revised the real gross value added (GVA) growth projection for FY 2024-25 to 6.3%. All this augurs well for the welding industry, which can be expected to grow @ CAGR of around 8-9%, over the period.

## OPPORTUNITIES AND THREATS:

The Indian Welding Equipment & Consumables market is expected to grow at more than 6.1% CAGR from the year 2023 to 2028. India has a large population, which has led to an increase in demand for housing, healthcare, and transportation. This has led to an increase in demand for welding equipment and consumables in various industries. Furthermore, with the increasing competition in the market, end-users are now focusing on the quality of welding equipment and consumables. This has led to an increase in demand for high quality welding equipment & consumables, that can meet the stringent quality standards.

Moreover, with the increasing number of welding equipment & consumables, being used in various industries, the demand for repair and maintenance services is also increasing. This has led to an increase in the demand for welding equipment and consumables that are easy to repair and maintain. In addition, India has a large pool of skilled and unskilled workers, which has led to an increase in the availability of trained welders and welding technicians.

The mandatory requirement of BIS marking for products, used in Government Industries, has opened up the opportunities for “Made-in-India” products and manufacturers like ADOR, can obtain the BIS certification without any additional investment or efforts, since its products are already designed and manufactured in India with specifications, surpassing requirements of the standards.

## OUTLOOK, RISKS AND CONCERNS:

### OUTLOOK:

The Indian manufacturing sector currently contributes around 17% to the GDP, supported by robust physical and digital infrastructure. However, this share is expected to grow to 21% in the next 6-7 years. India aims to triple its manufacturing gross value added (GVA) to reach a remarkable \$1 Trillion by FY 2025-26. This ambitious goal implies a compounded annual growth rate (CAGR) of about 12%, a significant leap from the current growth rate of 7-8%.

Developing globally competitive manufacturing hubs, represent one of the biggest opportunities for India to spur economic growth and job creation in this decade.

McKinsey identifies 11 manufacturing value chains with strong potential:

- Pharmaceuticals and Medical Devices
- Electronics and Semiconductors
- Automobiles and Auto Components
- Textiles and Apparel
- Chemicals and Petrochemicals
- Food Processing and Agribusiness
- Machinery and Equipment
- Metals and Mining
- Renewable Energy and Storage
- Construction Materials and Infrastructure
- Consumer Goods and Appliances

These value chains can capitalize on India’s advantages in raw materials, manufacturing skills, and entrepreneurship. They can tap into market opportunities such as export growth, import localization, domestic demand, and contract manufacturing.

A focused approach to the industrial policy, aimed at lifting productivity, securing know-how, and providing access to capital, could help these value chains more than double their GDP contribution to \$500 billion in seven years, while creating extensive job opportunities.

### RISKS AND CONCERNS:

- Infrastructure Challenges: Despite improvements, India still faces infrastructure gaps, including inadequate transportation networks, power supply, and logistics. These bottlenecks can hinder manufacturing growth.
- Labour Productivity: Enhancing labour productivity remains crucial. Skill development, vocational training, and upskilling programs are essential to create a skilled workforce.
- Regulatory Environment: Cumbersome regulations, bureaucratic hurdles, and compliance complexities can deter investment and hinder ease of doing business.
- Global Competition: India competes with other manufacturing giants like China, Vietnam, and Indonesia. Maintaining competitiveness is vital.
- Supply Chain Resilience: COVID-19 pandemic highlighted vulnerabilities in global supply chains. India must focus on building resilient supply networks.



- **Environmental Sustainability:** Balancing economic growth with environmental conservation is critical. Sustainable practices are essential for long-term viability.

In summary, India's manufacturing sector has immense potential, but addressing challenges and seizing opportunities will be crucial for achieving its ambitious growth targets in the coming years.

### INCOME STATEMENT ANALYSIS:

In FY24, overall revenue from operations reached INR 88,383 Lakhs from INR 77,676 Lakhs in FY23. This translates to about 13.78% increase from the previous year FY23. Revenue from consumables business was at INR 67,780 Lakhs, as compared to INR 61,449 Lakhs in FY23. Revenue from equipment & automation business was at INR 17,131 Lakhs, as compared to INR 11,504 Lakhs in FY23. Revenue from Flares & Process Equipment Division (erstwhile Project Engineering Business (PEB)) was at INR 3,472 Lakhs, as compared to INR 4,723 Lakhs in FY23. Other income of INR 1,307 Lakhs, mainly consisted of forex gains, interest income, rental income and export incentive, etc.

### BALANCE SHEET ANALYSIS:

During FY24, overall working capital days have been controlled at 89 days, compared to 85 days in the previous year, even after significant increase in business and undertaking a large scale project with longer lead time. The borrowings are under control, with Debt to Equity ratio of 0.12.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company continues to strongly believe that effective internal controls are critical for good corporate governance and that the operational freedom in conducting business should be exercised within the framework of appropriate checks & restraints, subject to adherence of applicable laws of the land.

The Company has robust Internal Financial Control System (IFCS), which covers all the critical aspects of business processes and reporting.

The Company has a well-defined Internal Audit System. The scope of Internal Audit is reviewed & finalized at

the beginning of every financial year, in consultation with the Statutory Auditors and approved by the Audit Committee. The audit plan is focused, primarily, on the operations & processes.

The Audit Committee reviews the Internal Audit Reports on a quarterly basis and offers necessary guidance with respect to its coverage, scope & corrective measures.

Our ERP & IT system makes Finance & Accounts Management robust, data tracking easier and decision making faster.

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

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

In FY24, we continued our focus on working towards achieving our Vision of **"Creating the best Welding Experience"** by imbibing three (03) core values viz. Enhancing Performance, Building Trust & Relationship and strive to give the best Customer Experience.

All key HR initiatives, such as Performance Management, Training & Development, Recruitment etc. aimed to increase employee productivity and retention. We emphasized on not just the physical wellbeing of our employees through insurance / health care policies, but also considered their mental / emotional wellbeing. In addition, recreational activities across all three factories and workshops on Stress Management and Work Life Balance were also a part of the wellbeing initiatives.

For skill enhancement and improving efficiency, various technical and Soft Skill programs were conducted throughout the year to meet the increasing performance demands of the Business. The Employee Feedback Survey, which is conducted annually, also gave insights into Company Culture and improvement areas for the coming year.

The hiring process was refreshed to ensure diversity and fairness in the selection of suitable candidates. Talented young engineers from various Campus / Institutes were recruited across locations in different functions to strengthen the teams. The employee turnover / attrition was lowest in the last 10 years except for the Pandemic Year (FY21).

As we continue to grow, we will strive to keep our employees motivated, trained and ready for any upcoming challenges on our journey towards achieving excellence.

The employee strength as of 31<sup>st</sup> March, 2024 stood at 672.

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**Disclaimer:**

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

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

Ninotchka Malkani Nagpal  
**Executive Chairman**  
(DIN: 00031985)

**ANNEXURE V - TO THE DIRECTORS' REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024****[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 by **Ador Welding Limited** (hereinafter called the Company). Secretarial Audit was conducted in conformity with the auditing standards, issued by the Institute of Company Secretaries of India ("the Auditing Standards") and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024, 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 Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 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
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the financial year**
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018; **Not Applicable during the financial year**
  - f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable during the financial year**
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

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

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI),
- b. Guidelines issued by MCA and SEBI relating to conducting the meetings (Board / General Shareholders Meetings) via Video Conferencing (VC) and Other Audio-Visual means (OAVM).

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

Except with respect to circulation of draft minutes and signed minutes, which shall be circulated within 15 days from the date of conclusion of the Meeting of Board or the Committee and within 15 days of signing of the Minutes respectively, as per Secretarial Standards (SS) issued by ICSI. However, the directors have condoned the same by taking approval for 2 (two) additional weeks time for FY 2023-24 w.r.t. circulation of minutes in the Board Meeting dated 30<sup>th</sup> May, 2023.

**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 SEBI (LODR) Regulations, 2015.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 07 (seven) days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, unanimously, at the Board Meeting and there are no dissenting members' views, which are required to be captured and recorded as part of the minutes. **All the decisions have been taken with requisite majority in the General Meetings and the views expressed by the dissenting members, if any, are captured and recorded as part of the minutes.**

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

**We further report that** during the audit period, the Court (NCLT) convened meeting of the Equity Shareholders of Ador Welding Limited (Transferee Company) was held on Thursday, 10<sup>th</sup> August, 2023 for approving the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited ("ADFL" or "Transferor Company") with Ador Welding Limited ("AWL" or "Transferee Company") and their respective Shareholders ("Scheme"). Hon'ble NCLT, Mumbai Bench, vide its Order dated 05<sup>th</sup> September, 2023 had admitted the Petition in the matter of Scheme of Amalgamation. Furthermore, the said petition was fixed for hearing before Hon'ble NCLT, Mumbai bench on 05<sup>th</sup> March, 2024, which was adjourned to 23<sup>rd</sup> April, 2024, which got further adjourned to 07<sup>th</sup> May, 2024, to approve the said Scheme of amalgamation.

**We further report that** during the audit period, the Company has received summons / notices / penal order from the Bureau of Indian Standards (BIS) for violation. The Company has duly responded to all such summons / notices / penal order and has duly initiated the required action at various judicial forums.

For **M/s. N. L. Bhatia & Associates**  
**Practicing Company Secretaries**  
UIN: P1996MH055800  
P/R No: 700/2020

Bharat Upadhyay  
**Partner**  
FCS: 5436  
CP. No. 4457  
UDIN: F005436F000276212

Place: Mumbai  
Date: 30<sup>th</sup> April, 2024

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

Other Laws applicable to the Company;

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

To,  
The Members,

**Ador Welding Limited**

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

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
- (2) We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and 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 the Secretarial records. We believe that the processes and practices, we have followed, are aligned with Auditing Standards, issued by the Institute of Company Secretaries of India (ICSI), 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.

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

**UIN:** P1996MH055800

**P/R No:** 700/2020

Bharat Upadhyay

**Partner**

**FCS:** 5436

**CP. No.** 4457

**UDIN:** F005436F000276212

**Place:** Mumbai

**Date:** 30<sup>th</sup> April, 2024

## ANNEXURE VI – TO THE DIRECTORS' REPORT

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year (FY) 2023-24:

Sr. No.	Name of the Director(s)	Designation	Ratio
1.	Mrs. N. Malkani Nagpal	Executive Chairman	34.22
2.	Mr. A. T. Malkani	Managing Director	34.57
3.	Dr. D. A. Lalvani	Director (Non-Executive)	1.76
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	1.76
5.	Ms. Tanya H. Advani	Director (Non-Executive)	1.76
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	1.94
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	2.02
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	1.87
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	1.91
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	1.87
11.	Mr. N. S. Marshall	Director (Independent & Non-Executive)	1.99

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) 2023-24:

Sr. No.	Name of the Directors / KMPs	Designation	% variance
1.	Mrs. N. Malkani Nagpal	Executive Chairman	28.32
2.	Mr. A. T. Malkani	Managing Director	35.48
3.	Dr. D. A. Lalvani	Director (Non-Executive)	2.34
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	2.34
5.	Ms. Tanya H. Advani	Director (Non-Executive)	2.34
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	-7.68
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	-5.89
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	-0.65
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	-1.98
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	-2.02
11.	Mr. N. S. Marshall	Director (Independent & Non-Executive)	17.72
12.	Mr. V. M. Bhide	Company Secretary (CS)	0.52
13.	Mr. S. K. Sethia	Chief Financial Officer (CFO)	11.52

3. The percentage increase in the median remuneration of employees in FY 2023-24 over FY 2022-23: **9.2%**
4. The number of permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2024: **672**

5. Average percentile increase already made in the salaries of employees, other than the managerial personnel, in FY 2023-24 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **The percentile increase in the remuneration of Non-Managerial cadre and Managerial cadre (excluding Whole-time Directors) is 58 percentile and 70 percentile respectively.**
6. Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes, we affirm / confirm that the remuneration paid, during FY 2023-24, was as per the Remuneration Policy of the Company.**
7. Details of **top 10 employees** of the Company in terms of remuneration\* drawn in FY 2023-24:

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.	Sunando Kumar Palit	61	Head-Strategy & Customer Experience	B.Tech (Hons.) in Electronics & Telecommunication Engineering from IIT Kharagpur	41	04-Jun-2012	Divisional Product Manager (Equipment Division)	ESAB India Ltd.
2.	Somnath Chakravarty	60	Head- Research, Development & Quality (Welding Consumables)	M.tech in Metallurgy	32	01-Jun-2022	Plant Head- Saw Wire and R&D	Modi Hitech India Ltd.
3.	Sachin H. Dobhada	57	Head – Research, Development & Quality (Welding Equipment)	B.E. (Industrial Electronics)	36	08-May-2006	Manager - R&D	Hueco Electronic (India) Pvt Ltd.
4.	Vinayak M. Bhide	55	Head- HR, Admin, IA, Legal & Company Secretary	B.Com, LL.B (Gen), AICMA, DTL, DLL & LW and FCS	34	04-Jan-1993	Assistant (costing Dept.)	BASF India Ltd.
5.	Vineet Bansal	55	Head- India Welding Business & Customer Success	B. Tech.	33	03-Nov-1992	Engineer- Technical Services	Cimmco Ltd. – Bharatpur
6.	Mustafa Faizullahoy	51	Head- International Operations	Masters in HRM, Bachelors in IB	24	06-Apr-2022	General Manager	Abicor Binzel Middle East
7.	Ulhas Pujari**	51	General Manager- Special Projects	BE and MBA	30	15-Jul-2013	DGM- Production	Carraro India Ltd.
8.	Dr. Shrikant S. Suvarna**	46	Head- Supply Chain & Procurement	PH.D. (Management Studies), E-MBA- Foreign Trade	26	05-Oct-2020	Head- Supply Chain	Voestalpine Bohler Welding India Pvt.Ltd.
9.	Dr. Ajay Gorasia	45	Head- Flares & Process Equipment Division	B. Tech, M. Chem. & PHD (Chemical Engg)	15	05-Jan-2021	Accounts Manager- Callidus & GP&H	UOP India Pvt. Ltd.
10.	Surya Kant Sethia	44	Chief Financial Officer	Chartered Accountant	19	22-Jun-2015	DGM (Accounts & Finance)	Desert Landscape Company LLC

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

One employee, who is posted abroad (i.e. Ador International) is drawing remuneration of over Rs. 60 Lakhs per financial year & Rs. 5 Lakhs per month.

\*\* Mr. Ulhas Pujari & Dr. Shrikant S. Suvarna have been re-designated as Head- Manufacturing and Supply Chain (Welding and Cutting Equipment) and Head - Manufacturing and Supply Chain (Welding Consumables) respectively w.e.f 01<sup>st</sup> April, 2024, in place of Mr. Kishor D. Kokate (Head of Manufacturing) who superannuated on 31<sup>st</sup> March, 2024.



Intimation of which has been posted on both the Stock Exchanges on 01<sup>st</sup> April, 2024.

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 2023-24:

Sr. No.	Name	Age (Years)	Designation	Remuneration (Gross) (Rs. in Lakhs)	Qualification(s)	Years of Experience	Date of Commencement of Employment	Last Employment	
								Post Held	Name of the Last Employer
1.	Mrs. N. Malkani Nagpal	52	Executive Chairman	193.28	<ul style="list-style-type: none"> <li>MBA. with specialization in Finance from Imperial College, UK;</li> <li>B.Sc. in Business &amp; Economics from Lehigh University, PA, USA</li> </ul>	31	03.10.1997	Chairman & Whole Time Director	J. B. Advani & Co. Pvt. Ltd.
2.	Mr. Aditya T. Malkani	43	Managing Director	187.31	<ul style="list-style-type: none"> <li>Pursued B.A. (Economics) from Oberlin College (Ohio, USA)</li> <li>MBA from Indian School of Business (ISB, Hyderabad)</li> </ul>	17	27.07.2007	Chairman & Whole Time Director	Ador Fontech Ltd.

**Notes:**

- All the above appointments are Contractual.
- Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, contribution to Provident Fund, Superannuation Fund, etc., wherever applicable.
- Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company, by the employees concerned.
- Mrs. Ninotchka Malkani Nagpal holds 1,99,952 equity shares and Mr. Aditya T. Malkani holds 1,23,198 equity shares of the Company as on 31<sup>st</sup> March, 2024.
- Mrs. Ninotchka Malkani Nagpal and Mr. Aditya T. Malkani are not related to any other Directors or to each other or to any of the employees of the Company.
- No other employee mentioned above is related to any Director of the Company in terms of Section 2(77) of the Companies Act, 2013.

**For and on behalf of the Board**

Ninotchka Malkani Nagpal  
**Executive Chairman**  
(DIN: 00031985)

**Place:** Mumbai  
**Date:** 30<sup>th</sup> April, 2024

## ANNEXURE VII - TO THE DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

#### Basic Information:

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

Ador's Vision is **"Creating the Best Welding Experience"**. Ador 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. Ador believes that the Company's performance must be quantified in a balanced economic, environmental and social imperative. The core values of Ador strive in developing a sustainable business model, which flows from the top and infuses throughout the organization & across business segments.

Aligned with the United Nations Sustainable Development Goals (SDGs), Ador conducts its business activities responsibly and sustainably. The Company has prioritized 09 (Nine) SDGs for focused actions, all of which are critical to achieving its vision of **"Creating the Best Welding Experience"**.

Ador's Business Responsibility and Sustainability Report (BRSR) is a comprehensive account of its business performance and impact. It is aligned with the National Guidelines on Responsible Business Conduct (NGRBC) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA). BRSR is in accordance with clause (f) of sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Company's business performance and its impacts are disclosed based on the 09 (Nine) Principles, as mentioned in NGRBC, reflecting Ador's unwavering commitment to responsible and sustainable business practices.

#### Principles

- |  |  |  |
|--|--|--|
| <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>1</b> Ethics, Transparency and Accountability         </div> | <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>2</b> Product Life Cycle Sustainability         </div> | <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>3</b> Employee Well-Being         </div> |
| <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>4</b> Stakeholder Engagement         </div>                  | <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>5</b> Human Rights         </div>                      | <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <b>6</b> Environment         </div>         |
| <div style="border: 1px solid #ccc; padding: 5px;"> <b>7</b> Policy Advocacy         </div>  | <div style="border: 1px solid #ccc; padding: 5px;"> <b>8</b> Inclusive Growth and Equitable Development         </div>             | <div style="border: 1px solid #ccc; padding: 5px;"> <b>9</b> Customer Value Creation         </div>                  |

## SECTION A: GENERAL DISCLOSURES

### I. Details of the Listed Entity

I-1.	Corporate Identity Number (CIN) of the listed entity	L70100MH1951PLC008647
I-2.	Name of the listed entity	Ador Welding Limited
I-3.	Year of incorporation	22 <sup>nd</sup> October, 1951
I-4.	Registered office address	Ador House, 6, K. Dubash Marg, Fort, Mumbai, 400001-16, Maharashtra, India
I-5.	Corporate address	Ador House, 6, K. Dubash Marg, Fort, Mumbai, 400001-16, Maharashtra, India
I-6.	E-mail	investorservices@adorians.com
I-7.	Telephone	022-22842525 / 66239300
I-8.	Website	<a href="https://www.adorwelding.com/">https://www.adorwelding.com/</a>
I-9.	Financial year for which reporting is being done	FY 2023-24
I-10.	Name of the Stock Exchange(s), where the shares are listed	1. BSE Limited (BSE) 2. The National Stock Exchange of India Limited (NSE)
I-11.	Paid-up Capital	1,35,98,467 Equity Shares of Rs. 10/- each, fully paid-up
I-12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report. Details of Director responsible for implementation of the Business Responsibility Policy	<b>Name:</b> Mr. Aditya T. Malkani <b>Designation:</b> Managing Director <b>DIN:</b> 01585637 <b>Telephone Number:</b> 022-66239300 / 022-22842525 <b>E-mail ID:</b> investorservices@adorians.com
I-13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities, which form a part of its consolidated financial statements, taken together).	The disclosures made in this report are on a Standalone basis and pertain only to Ador Welding Limited
I-14.	Name of assurance provider	Not Applicable
I-15.	Type of assurance obtained	Not Applicable

### II. Products / services

#### II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing of Welding Consumables like Electrodes, Wires and Fluxes	77
2	Manufacturing	Assembly line for assembly of welding equipment	19
3	Manufacturing	Flare and Process equipment	4

**II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Welding Consumable	2592	77
2	Welding Equipment	2710	19

**III. Operations**

**III-18. Number of locations where plants and / or operations / offices of the entity are situated:**

Location	Number of Plants	Number of Offices	Total
National	3	6	9
International	0	1	1

**III-19. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of States)	36
International (No. of Countries)	15

**b. What is the contribution of exports, as a percentage of the total turnover of the entity?**

The Export portion is 13.91% of the Total Turnover of the entity.

**c. A brief, on types of customers**

Our customer base includes entities involved in Heavy Fabrication, Rail Coach Manufacturing, Railway Work Shops, Indian Defence, Oil & Gas, Ship Building, Power Plants, Automobiles, Hydro Plants, Nuclear Plants, Steel Manufacturings, Sugar Industries, Cement Industries, other metal manufacturing, such as Aluminium, Copper etc.

#### IV. Employees

##### IV-20. Details as at the end of Financial Year

###### a. Employees and workers (including differently abled):

No.	Particulars	Total (A)	Male		Female	
			No (B)	(B/A) %	No (C)	(C/A) %
<b>Employees</b>						
1	Permanent (D)	672	627	93.30	45	6.70
2	Other than Permanent (E)	46	41	89.13	5	10.87
3	Total employees (D + E)	718	668	93.04	50	6.96
<b>Workers</b>						
1	Permanent (F)	0	0	0.00	0	0.00
2	Other than Permanent (G)	817	775	94.86	42	5.14
3	Total Workers (F + G)	817	775	94.86	42	5.14

##### IV-20. Details, as at the end of Financial Year:

###### b. Differently abled Employees and workers:

No.	Particulars	Total (A)	Male		Female	
			No (B)	(B/A) %	No(C)	(C/A) %
<b>Differently Abled Employees</b>						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	0	0	0	0	0
<b>Differently Abled Workers</b>						
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

##### IV-21. Participation / Inclusion / Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No (B)	(B/A) %
Board of Directors	11	3	27.27
Key Management Personnel	2	0	0.00

##### IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

Particulars	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.56	23.68	13.23	11.94	41.94	13.58	12.60	20.69	13.07
Permanent Workers	0	0	0	0	0	0	0	0	0

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
1	J.B. Advani & Co. Private Limited	Holding	50.01	No

**Remarks:** J.B. Advani & Co. Private Limited holds 50.01% of the total shareholding of the entity.

## VI. CSR Details

### VI-24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

**Remarks:** As per Section 135 of the Companies Act, 2013, provision of CSR is applicable. A brief of the CSR vision of the Company and the activities undertaken has been given in the Corporate Social Responsibility Report, which is annexed to the Annual Report.

### VI-24. (ii). Turnover (in Rs.)- 88383 Lakhs

### VI-24. (iii). Net worth (in Rs.)- 36238 Lakhs

## VII. Transparency and Disclosures Compliances

### VII-25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	Yes <a href="https://www.adorwelding.com/wp-content/uploads/2021/07/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf">https://www.adorwelding.com/wp-content/uploads/2021/07/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf</a>	0	0	-	0	0	-
Shareholders	Yes, the Company has empowered a Board-level Stakeholders Relationship Committee ('SRC') to examine and redress complaints from/by shareholders. The status of complaints is reported to the entire Board on a quarterly basis. SRC meets at least twice a year and as & when required to resolve shareholders grievances. Most of the grievances received through electronic communications are attended within a period of seven days and for postal communication within a period of twelve days from the date of receipt of such grievances.  <a href="https://www.adorwelding.com/wp-content/uploads/2022/11/Investor-Grievance-Redressal-Policy.pdf">https://www.adorwelding.com/wp-content/uploads/2022/11/Investor-Grievance-Redressal-Policy.pdf</a>	13	0	-	9	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, the grievances of the employees and workers are redressed through emails, open forum meetings and also through vigil mechanism. <a href="https://www.adorwelding.com/wp-content/uploads/2021/07/Whistle-Blower-for-Employees-Directors2019.pdf">https://www.adorwelding.com/wp-content/uploads/2021/07/Whistle-Blower-for-Employees-Directors2019.pdf</a>	0	0	-	0	0	-
Customers	Yes, all the grievances received through various available channels are registered and tracked through the Complaint CRM system. Once the complaint is registered, it is tracked through a unique number. The grievance is resolved through one-on-one interaction with the customer either telephonically or physically. Upon the final resolution of the grievance, feedback is taken through call / response sheet / feedback form.	1,314	0	-	1,046	0	-
Value Chain partners	Yes, the complaints pertaining to the Value Chain Partners are redressed through one-on-one interaction.	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

**VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues, pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Opportunity	Product manufacturing is an energy-intensive operation, and efficient energy management initiatives help the company optimize its energy consumption and thereby significantly aid in cost savings, lowering the energy consumption and GHG footprint of our organization. To achieve this, we have integrated several energy-efficient techniques, such as utilizing more efficient machines, and automatic systems in our processing units and installing solar panels, etc. These measures help us maintain low energy consumption while promoting sustainability.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Greenhouse Gas Emissions	Risk	Considering the nature of our business operations, a high energy requirement and consequent high greenhouse gas (GHG) emissions are inherent to some extent. Furthermore, we anticipate more stringent GHG policies, i.e. all-inclusive tracking and reporting practices, capping emissions, etc. could become mandatory in coming years. While we understand the need to manage and reduce this high emissions, we also anticipate that failure to align with evolving GHG policies could result in substantial penalties and reputational damage.	At Ador, we track and publish our Scope 1 and Scope 2 emissions. We also remain vigilant regarding upcoming policies and advancements in GHG tracking and public disclosure. Hence, we are strategizing to develop a comprehensive mitigation plan encompassing Scope 3, along with other Scopes, and develop targets for GHG emission reduction.	Negative
3	Water Management	Opportunity	Our production process at Consumable Plants is water-intensive, hence effective water management is crucial for our operations. Water scarcity poses a notable risk, impacting business continuity and profitability. However, efficient water management presents an opportunity to enhance efficiency and cut costs. Through substantial investments in water management systems such as ZLD and STP, we've improved our water utilization, resulting in decreased costs and reduced water footprint.	-	Positive
4	Air-pollution	Risk	Air emissions pose a risk, as it can contribute to local and regional emission concentrations. Moreover, non-compliance, if any, with regulatory requirements set by regional and national government boards, could have adverse impacts on both health and the environment, potentially resulting in compensatory and reputational damage to the Company. Additionally, this could pose a risk to our license to operate.	We conduct regular monitoring of our emissions and maintain strict processes to ensure that our operations adhere to industry best practices, with a focus on minimizing our environmental impact. Additionally, we hold ISO 14001 certification, underscoring our commitment to environmental stewardship.	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Workforce health and safety	Risk	Given the nature of our business, it is imperative to establish rigorous protocols and procedures for health and safety to prevent injuries, accidents, and potential legal or reputational ramifications.	We strictly follow the prescribed health and safety protocols. We conduct routine training sessions to ensure our workforce is well-prepared to navigate such circumstances.	Negative
6	Materials Sourcing	Risk	Our supply chain is susceptible to various risks associated with critical materials used in the production process. These materials are often specialized and, in many instances, have limited alternatives. Instances of unavailability, transportation challenges, or supply disruptions could lead to price escalation and even slow down production processes. Therefore, addressing this issue is of paramount importance.	Over the years, we have successfully diversified our supply chain to reduce dependency on a single supplier and have ensured a more resilient supply chain. Furthermore, we continuously monitor market trends and product demand and pro-actively take the procurement decision to address potential challenges. Lastly as a part of our governance ethics, we foster strong, transparent, and effective communications with our value chain.	Negative
7	Supply chain Management	Risk	Ador has a complex supply chain, encompassing numerous stakeholders throughout the sourcing, production, and disposal phases of our products, making it susceptible to frequent disruptions.	Our supply chain management practices are robust and transparent, characterized by thorough due diligence to identify risks and vulnerabilities. Moreover, we assess the majority of our downstream supply chain based on key environmental, social, and governance (ESG) parameters, ensuring the smooth flow of value downstream.	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

### Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes / No)	YES	YES	YES	YES	YES	YES	No	YES	YES
1. b. Has the policy been approved by the Board? (Yes/ No)	YES	NO	NO	YES	YES	NO	NO	YES	NO
1. c. Web Link of the Policies, if available	Code of Conduct for Directors & Senior Management  Anti Corruption Policy  Board Diversity Policy	Supplier Code of Conduct  Supply Chain Management Policy	EHS Policy  Equal Opportunity Policy  POSH Policy	Whistle - Blower for Stakeholders Policy	Human Right Policy  Equal Opportunity Policy	Environmental Policy	NA	CSR Policy	Data privacy Management Policy
2. Whether the entity has translated the policy into procedures. (Yes / No)	YES	YES	YES	YES	YES	NO	NO	YES	YES
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	NO	NO	NO	NO	NO	NO	NO	NO	NO
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea standards) (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	OHSAS, BIS, ISO 14001, and Corporate Governance Code, are adopted and mapped at applicable principle.						NA	OHSAS, BIS, ISO 14001, Corporate Governance Code are adopted and mapped at applicable principle.	

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The company is in the process of setting goals and targets focusing on ESG Key Performance indicators related to:</p> <ul style="list-style-type: none"> <li>• Water Management: Target for Zero Liquid discharge at all plants</li> <li>• Increasing the share of renewable energy in the energy mix</li> <li>• Health &amp; Safety: Continue to have Zero Fatalities</li> <li>• Gender Diversity: Increasing the share of women across the workforce</li> <li>• Business Ethics &amp; Integrity and Code of Conduct: Increase the coverage of employees that are given training for POSH, Code of Conduct, Whistle-blower.</li> </ul> <p>We are committed to protect environmental, social, health &amp; safety aspects, while conducting our business operations. We are in the process of inculcating the culture of doing business in the interests of environment and all stakeholders. We are also working on energy efficiency as well as resource conservation.</p>
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>The Company will be focusing on the sustainability initiatives &amp; will be setting goals and targets in the year 2025. Going forward the performance against each goal and targets will be reviewed periodically by the Management.</p>

### Governance, leadership and oversight

7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>The Company believes in Sustainability and endeavours to balance its concern for the environment and people with efficient and profitable operations. It is committed to minimizing its carbon footprint and is undertaking several measures focused on energy efficiency and emissions reduction. The Company also seeks to ensure the satisfaction of all its stakeholders. Besides focusing on the holistic well-being of its employees, through various Health and Safety initiatives and providing continuous learning &amp; development opportunities, the Company also places importance on the development of communities around its manufacturing units.</p>
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Aditya T. Malkani Managing Director DIN: 01585637</p>
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>No. The Board is responsible for decision making on all sustainability related issues. There is no separate Committee for the same.</p>

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All NGRBC related policies are reviewed by Director.									Periodically								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the known applicable statutory requirements.									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	NO	NO	NO	NO	NO	NO	NO	NO	NO

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7		P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA						No		NA	
The entity is not at a stage, where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA						Yes		NA	
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA						No		NA	
It is planned to be done in the next financial year (Yes/No)	NA						No		NA	
Any other reason (please specify)	NA						We ensure to make all our policies transparent and subject to regulatory framework. However, there is no specific policy mentioning this.		NA	

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

**EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	<p>The board members are provided with an in-depth perspective on business, innovations, operations, financials and capital management processes, etc. Topics, such as Corporate Governance, the Companies Act, SEBI Regulations and Environmental &amp; Safety matters are also discussed during the meetings.</p> <p><b>Impact:</b> These meetings ensure strategic alignment amongst Board Members, enhance governance and accountability, and aims to improve performance and the long-term sustainability and growth of the Company.</p>	100
Key Managerial Personnel	4	<p>The executive &amp; management team members are provided with an in-depth perspective on business, innovations, operations, financials and capital management processes etc. Topics such as Corporate Governance, the Companies Act, SEBI Regulations and Environmental &amp; Safety matters are also discussed during the meetings.</p> <p><b>Impact:</b> These meetings ensure strategic alignment among all key stakeholders, enhance governance and accountability, and aims to improve performance &amp; the long-term sustainability &amp; growth of the Company.</p>	100
Employees, other than BoD and KMPs	1	<p>Following training and awareness programmes were held for employees of the Company</p> <ul style="list-style-type: none"> <li>- Code of Conduct</li> <li>- Health &amp; Safety</li> <li>- Prevention of Sexual Harassment</li> <li>- Employee Well Being</li> <li>- Cyber Security - Skill Upgradation / Advanced Skills pertaining to respective departments.</li> </ul> <p>All the Policies of the Company are available on Intranet for employees to refer / access.</p> <p><b>Impact:</b> These initiatives collectively contribute to a more up-to-date, productive, secure, and positive workplace environment, fostering organizational growth and resilience.</p>	28
Workers	0	<p>Although the Company does not have any permanent workers, all the contract workers are given regular health and awareness trainings to ensure their safety and made aware about POSH.</p>	0

**Remarks:** 1. Health and Safety related training and awareness sessions are conducted and provided to the workers at regular intervals. 2. HODs also give training to their team members periodically about the process, product manufacturing, etc. This is to be mandatorily attended to, by all the staff of the said function.

**EI-2. Details of fines / penalties /punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)**

**Monetary**

Category	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

**Non-Monetary**

Category	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment	0	0	0	0
Punishment	0	0	0	0

**EI-3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

S. No.	Case Details	Name of the regulatory / enforcement agencies / judicial institutions
1.	0	0

**EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-**

Yes, we strictly prohibit our employees, agents and intermediaries from engaging in any illegal or inappropriate payments or benefits, either directly or indirectly, that may be perceived as an attempt to gain undue advantages for our business operations. The Company launched the Anti-Bribery and Anti-Corruption Policy ('ABAC Policy') to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments or corruption. The policy is available at the Company's website at <https://www.adorwelding.com/wp-content/uploads/2023/05/Anti-Bribery-and-Anti-Corruption-Policy.pdf>

**EI-5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**Remarks:** No disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption against any of the Directors / KMPs / employees / workers of the Company.

**EI-6. Details of complaints with regard to conflict of interest:**

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

**EI-7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:**

Not Applicable

**EI-8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods / services procured) in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	43	51

**EI-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	17.25%	13.12%
	b. Number of trading houses where purchases are made from	365	348
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	66%	55%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	81%	84%
	b. Number of dealers / distributors, to whom sales are made	217	211
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	33%	32%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	6.97	4.82
	b. Sales (Sales to related parties / Total Sales)	0.62	0.68
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

### Leadership Indicators

**LI-1. Awareness programmes conducted for value chain partners, on any of the Principles, during the financial year:**

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1.	0	-	0

**LI-2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If Yes, provide details of the same.-**

Yes, the Company has Code of Conduct for the Board of Directors and Senior Management Personnel, which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and Senior Management Personnel in the entities they are interested in and ensures requisite approvals, as required under the applicable laws, are taken prior to entering into transactions with each entities. The policy is available on the Company's website at <https://www.adorwelding.com/wp-content/uploads/2023/02/Code-of-Conduct-for-Directors-Senior-Managerial-Personnels-1.pdf>

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

### Essential Indicators

**EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	15%	0	The procurement of Drop Test and Vibration Test machines has been initiated to thoroughly evaluate packing materials. Changes in packing materials have been implemented to enhance the environmental and social impact of our products. These changes include replacing total wooden packing with honeycomb boxes and wooden pallets, eliminating plastic wrapping for corrugated packing boxes, and utilizing laminated corrugated boxes.
Capex	0	0	-

**EI-2.a. Does the entity have procedures in place for sustainable sourcing? (Yes / No)- No**

**EI-2.b. If yes, what percentage of inputs were sourced sustainably?- Not Applicable**



**EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.-**

The processes are in place for safely reclaiming products for reuse, recycling, and disposal at the end of their life, include the following:

- For plastics (including packaging), instructions are provided on recycling in form of symbols and proper disposal methods.
- For E-waste (electrical / electronic equipment), instructions are provided in operational manuals and on product packaging, stressing the importance of proper disposal and adherence to any relevant waste regulations (such as European Directive 2012/19/EU for Waste Electrical and Electronic Equipment).
- For hazardous waste, instructions are included in operational manuals and on product packaging, stressing the importance of proper disposal and adherence to any relevant waste regulations.
- For other waste, such as welding consumables, instructions are printed on the product packaging for proper disposal and scrapping methods.

Overall, the company takes measures to ensure that all products, regardless of their composition or potential risk, are properly disposed off, in an environmentally friendly and responsible manner in accordance with local and international waste regulations. About 70% of our turnover of welding products comes from Consumables. The Consumables are used in producing various products. The moment the Consumables are used as raw material, its usage ends there.

**EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.-**

Yes, it seems applicable. We are in the process of applying for registration and doing the needful.

### Leadership Indicators

**LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which, the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web link.
1				NA		

LI-2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1		NA	

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
	NA	

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA					
E-waste						
Hazardous waste						
Other waste						

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1		NA

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

### Essential Indicators

#### EI-1. a. Details of measures for the well-being of employees (Permanent Employees).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	(B / A) %	Number (C)	(C / A) %	Number (D)	(D / A) %	Number (E)	(E / A) %	Number (F)	(F / A) %
<b>Permanent Employees</b>											
Male	627	627	100.00	627	100.00	0	0.00	627	100.00	627	100.00
Female	45	45	100.00	45	100.00	45	100.00	0	0.00	45	100.00
<b>Total</b>	<b>672</b>	<b>672</b>	<b>100.00</b>	<b>672</b>	<b>100.00</b>	<b>45</b>	<b>6.70</b>	<b>627</b>	<b>93.30</b>	<b>672</b>	<b>100.00</b>
<b>Other than permanent Employees</b>											
Male	41	41	100.00	41	100.00	0	0.00	41	100.00	41	100.00
Female	5	5	100.00	5	100.00	5	100.00	0	0.00	5	100.00
<b>Total</b>	<b>46</b>	<b>46</b>	<b>100.00</b>	<b>46</b>	<b>100.00</b>	<b>5</b>	<b>100.00</b>	<b>41</b>	<b>100.00</b>	<b>46</b>	<b>100.00</b>

#### EI-1. b. Details of measures for the well-being of workers. (Permanent Workers).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	(B / A) %	Number (C)	(C / A) %	Number (D)	(D / A) %	Number (E)	(E / A) %	Number (F)	(F / A) %
<b>Permanent Workers</b>											
Male	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Female	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Other than permanent Workers</b>											
Male	775	0	0.00	771	99.48	0	0.00	0	0.00	0	0.00
Female	42	0	0.00	42	100.00	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>817</b>	<b>0</b>	<b>0.00</b>	<b>813</b>	<b>99.51</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

**EI-1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.1	0.1

**EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/NA). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/NA). (PY)
PF	99.85	100.00	Y	99.67	100.00	Y
Gratuity	100.00	100.00	Y	100.00	100.00	Y
ESI	7.44	100.00	Y	7.70	100.00	Y
Others – please specify	0.00	0.00	NA	0.00	0.00	NA

**EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.-**

Yes, even though the Company has no employee or worker with a disability in active employment, the premises of the company including the factory premises are accessible to differently abled employees and workers, except head office & sales offices.

**EI-4. Does the entity have an equal opportunity policy, as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.-**

Yes, The Policy is available on the Company’s website at <https://www.adorwelding.com/wp-content/uploads/2023/05/Equal-Opportunity-Policy.pdf>

**EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00	94.44	0	0
Female	100.00	100.00	0	0
<b>Total</b>	100.00	94.74	0	0

**EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company does not have any Permanent Workers,. Hence, the mechanism to redress the grievances is not applicable.
Other than Permanent Workers	Yes, the Company has a robust mechanism to redress grievances through its Whistle Blower Policy. The employees and workers can also raise their concerns through emails. All reported issues are meticulously investigated by a dedicated team of investigators, ensuring that appropriate actions are taken promptly.
Permanent Employees	
Other than Permanent Employees	

**EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	(B / A) %	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	(D / C) %
<b>Total Permanent Employees</b>	672	0	0.00	596	0	0.00
- Male	627	0	0.00	565	0	0.00
- Female	45	0	0.00	31	0	0.00
<b>Total Permanent Workers</b>	0	0	0.00	0	0	0.00
- Male	0	0	0.00	0	0	0.00
- Female	0	0	0.00	0	0	0.00

**EI-8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	(B / A) %	No. (C)	(C / A) %		No. (E)	(E / D) %	No. (F)	(F / D) %
<b>Employees</b>										
Male	668	193	28.89	171	25.60	605	147	24.30	196	32.40
Female	50	10	20.00	16	32.00	34	9	26.47	7	20.59
<b>Total</b>	718	203	28.27	187	26.04	639	156	24.41	203	31.77
<b>Workers</b>										
Male	775	0	0.00	0	0.00	705	0	0.00	0	0.00
Female	42	0	0.00	0	0.00	28	0	0.00	0	0.00
<b>Total</b>	817	0	0.00	0	0.00	733	0	0.00	0	0.00

**Remarks:** Although the Company does not have any permanent workers, all the contract workers are provided with training and awareness programs for their safety and skills upgradation.

**EI-9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	(B / A) %	Total (C)	No. (D)	(D / C) %
<b>Employees</b>						
Male	668	613	91.77	605	558	92.23
Female	50	41	82.00	34	29	85.29
<b>Total</b>	718	654	91.09	639	587	91.86
<b>Workers</b>						
Male	775	0	0.00	705	0	0.00
Female	42	0	0.00	28	0	0.00
<b>Total</b>	817	0	0.00	733	0	0.00

**EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?-**

Yes, In accordance with the Environment, Health and Safety Policy of the Company, an Occupational Health and Safety Management System has been implemented at all the manufacturing facilities. We have implemented Occupational Health and Safety management system certifiable to ISO 45001:2018 Standard at all plants. Also, the company encourages a culture of safety by providing health and safety trainings to employees and workers.

**EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?-**

The Company has Environment, Health and Safety Policy (EHS Policy). The health and safety guidelines are applicable to all operating locations of the Company and lay down required parameters to be followed at all locations. Some of the key processes for identifying work-related hazards and assessing risks on a routine and non-routine basis are given below:

- i Hazard Identification and Risk Assessment (HIRA) is used for routine and non-routine activities.
- ii Manual Material Handling Assessment Chart (MAC) tool is used to identify hazards during manual material handling activities.
- iii Fire Risk Assessment is done for handling fire related risks.
- iv HSEM 4004 Hazard identification and risk analysis sheet is used to identify work related hazards and assess risks. The Company has developed a system for hazard identification and risk assessment based on key controls that can be used to assess risk and mitigate it. Risk assessment and safety audits are performed periodically.

**EI-10.c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)-**

Yes, all workers at plants can report work related hazards through an internal portal. All the work hazards reported are monitored and actioned upon through respective departments / plant heads / core team member. The risk analysis process is reviewed after incorporating new / revised risk control measures to ensure that the residual risk is up to an acceptable level. Hazard identification, risk assessment and risk control processes are carried out proactively (i.e. before introduction of new or revised activities or procedures). At non-manufacturing locations, the workers approach the department head to report any work-related hazards and to remove themselves from such risks. Corrective and preventive actions are initiated to mitigate safety risks.

**EI-10.d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)-**

Yes, All the locations of the Company have a visiting doctor for regular health check-up including eye check-ups. Also, the Company has tie-ups with hospitals in the vicinity of the area where it operates in case of any medical emergencies. Further, the Company has provided Mediclaim Facility to all its employees. All employees / workers are covered under the Company's accidental insurance also.

**EI-11. Details of safety related incidents, in the following format:**

Safety Incident / Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	2	3
	Workers	7	8
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.-**

In line with the Company's Environment, Health and Safety Policy, there are various measures taken to ensure access to a safe and healthy work-place to all the employees and workers, such as follows:

- i HSME 4004, Hazard identification and risk analysis is done for each process.
- ii All employees and workers are trained on safety aspects, which include First – aid, Fire – fighting, Onsite Emergency Plan etc.
- iii Safety committee meetings are conducted on monthly basis.
- iv Induction training is provided to each newly joined employee and workers on safety & healthy workplace.
- v The health and safety management system is based on ISO 45001 - the International Standard for Occupational Health and Safety at all the three manufacturing plants of the Company.

**EI-13. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

**EI-14. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

**EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.-**

No corrective actions were required to be taken post the assessments

## Leadership Indicators

**LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).-**

Yes, the Company has extended Group Term Life (GTL) insurance to its "on roll" employees, whereas Group Personal Accident is provided to all its workers including contract employees.

**LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.-**

The entity ensures adherence to statutory compliances related to workers, such as timely wage payment and Provident Fund. In case of non-compliances, stringent actions are taken against defaulter business partner. As per the business agreements / contracts and purchase orders, all vendors are obliged to make necessary statutory payments timely. The Company regularly verifies the payment made by vendors to various government authorities towards statutory payments internally or through third party audits. With such reviews, the Company internally rates the vendors on their compliance status.

**LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

**LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)-**

Yes, the critical employees having the intent to work beyond retirement are provided with extensions and onboarded as consultants / advisers. Mediclaim insurance is provided to retiring employees upto the age of 80 years.

**LI-5. Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	95
Working Conditions	95

**Remarks:** We have only assessed our downstream value chain, which includes distributors and customers, based on these criteria. We have not yet assessed our upstream value chain, which includes suppliers.

**LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.-**

Based on the assessments done, no corrective actions were required to be undertaken.



**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****EI-1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders are identified on the basis of their immediate impact on the operations and working of the Company.

Currently, these groups include internal as well as external group of stakeholders and are identified as Shareholders, Employees & Workers and finally Value Chain Partners, which include vendors as well as distributors / customers.

**EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Annual General Meeting, Shareholders Meeting, Email, Letters, Website	Annual, periodic	Feedback on Operations & Performance
2	Investors (other than shareholders)	No	Investors Meetings, Email	Annual, periodic	Feedback on Operations & Performance
3	Employees and Workers	No	Emails, Calls, MD's Communication	Regular	Employee Engagement
4	Value Chain Partners	No	Email, Surveys	Annual	Engagements, Surveys
5	Communities	No	CSR initiatives & interventions	On-going	Local development & touching the lives of people.

**Leadership Indicators****LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We believe that consultation with our stakeholders is an ongoing process, and our leadership takes the lead by engaging with them regularly across various platforms. Additionally, we have established a Corporate Social Responsibility Committee at the Board level that reviews progress periodically. Moreover, we provide shareholders with the opportunity to interact with all Board Members on an annual basis during Annual General Meeting. This enables us to keep a constant pulse on the needs and concerns of our stakeholders and ensures that we remain accountable to them.

**LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. We engage with various stakeholders to seek relevant expertise and support to address environment and social topics. We have put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders, across businesses in a continuous and consistent manner. We are committed to improve quality of life and create lasting value for society and thereby contribute to a sustainable future.

**LI-3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company identifies the disadvantaged, vulnerable and marginalized stakeholders on an ongoing basis. Any new proposed project or expansion is mapped by engaging the stakeholder proactively, specifically via, Corporate Social Responsibility activities. The Company is addressing the concerns of this vulnerable / marginalized stakeholder group through its CSR initiatives. We also provide training in welding to economically challenged people.

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

**EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY2023-24			FY2022-23		
	Total (A)	No. of employees / workers covered (B)	(B / A) %	Total (C)	No. of employees / workers covered (D)	(D / C) %
<b>Employees</b>						
Permanent	672	0	0.00	596	216	36.24
Other than permanent	46	0	0.00	43	0	0.00
<b>Total Employees</b>	<b>718</b>	<b>0</b>	<b>0.00</b>	<b>639</b>	<b>216</b>	<b>33.80</b>
<b>Workers</b>						
Permanent	0	0	0.00	0	0	0.00
Other than permanent	817	0	0.00	733	0	0.00
<b>Total Workers</b>	<b>817</b>	<b>0</b>	<b>0.00</b>	<b>733</b>	<b>0</b>	<b>0.00</b>

**EI-2. Details of minimum wages paid to employees, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	(B / A) %	No. (C)	(C / A) %		No.(E)	(E /D) %	No.(F)	(F /D) %
<b>Employees</b>										
Permanent	672	0	0.00	672	100.00	596	0	0.00	596	100.00
Male	627	0	0.00	627	100.00	565	0	0.00	565	100.00
Female	45	0	0.00	45	100.00	31	0	0.00	31	100.00
Other than Permanent	46	0	0.00	46	100.00	43	0	0.00	43	100.00
Male	41	0	0.00	41	100.00	40	0	0.00	40	100.00
Female	5	0	0.00	5	100.00	3	0	0.00	3	100.00
<b>Workers</b>										
Permanent	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Other than Permanent	817	665	81.40	152	18.60	733	585	79.81	148	20.19
Male	775	625	80.65	150	19.35	705	565	80.14	140	19.86
Female	42	40	95.24	2	4.76	28	20	71.43	8	28.57

**EI-3. a. Details of remuneration / salary / wages, in the following format: Median remuneration / wages:**

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	8	10,98,000	3	10,66,000
Key Managerial Personnel	2	48,56,000	0	0
Employees other than BoD and KMP	624	5,76,500	44	5,55,814
Workers	0	0	0	0

**Remarks:** The Company does not have any Permanent Workers on- roll, therefore, they are not included in the table.

**EI-3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	8.38	8.82

**EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Ador has established a comprehensive Human Rights policy to address and manage human rights impacts, issues, and related matters, managed by Head HR & the team. The Company has implemented a robust Grievance Redressal mechanism to effectively address employee grievances concerning the Company's policies and work environment. In addition to this, Ador has formulated a dedicated policy focused on preventing forced labor, sexual harassment and discrimination ensuring ethical recruitment practices, safeguarding data security and maintaining a safe and respectful workplace. Any reported incidents are thoroughly investigated by the Internal Complaints Committee, underscoring Ador's commitment to maintaining a workplace free from human rights violations.

**Policy link-** <https://www.adorwelding.com/wp-content/uploads/2023/05/Human-Rights-Policy.pdf>

**EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.- Human rights principles, as enshrined in the United Nations Global Compact ("UNGC"), are embedded in our core values and system.**

We have a framework that focuses on good governance. Our commitment to abiding by each law, ensuring timely payment of employee salaries, and providing equal opportunities without exception. Grievances are routed to the Human Resource Function. Necessary action is taken in line with underlying policies and regulations, applicable to the workplace. Also, we have Internal Complaints Committee under POSH Policy to redress the grievances, if any. Employees are encouraged to share their concerns with their reporting Manager or the Members of the Senior Management. Employees can reach out independently to the Human Resource function, if they so choose to. The Company has an open-door approach, wherein any employee, irrespective of hierarchy has access to the Senior Management.

**EI-6. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour / Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

**EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a Prevention of Sexual Harassment Policy (POSH) and a committee is set up for prevention of adverse consequences for the complainant. The Company has zero tolerance for sexual harassment at the workplace and has adopted a comprehensive policy on preventing, prohibiting and redressing sexual harassment of women at the workplace. We have established an Internal Committee (IC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. All employees and workers must undergo awareness sessions / workshops on the subject. Posters with contact information of Presiding Officer / Chairman of IC is displayed prominently in office or factory premises for employees / visitors. Members of IC are responsible for conducting inquiries related to such complaints, if any. The IC members conduct Quarterly meetings to keep abreast of new developments in related law and micro-learning sessions. Throughout the process, IC will safeguard the identities of all parties involved, as well as the contents of the complaints and inquiry proceedings.

**EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, all the business agreement and contracts, which are entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements, which include human rights. The necessary due diligence is undertaken before any agreement / contract is entered into.

**EI-10. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 %
Forced / involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

**EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There was no issue or concern relating to child labour, forced labour, sexual harassment complaint, discrimination at workplace and wages less than the statutory limit. The Company monitors the compliances periodically.

## Leadership Indicators

**LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The Company is of the belief that it has upheld the basic principles of human rights in all its dealings. The Company regularly creates awareness among its employees on the Code of Conduct, through various training programmes.

**LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Training and awareness programmes and robust legal & regulatory compliance monitoring at all levels happens through our Safety Audit on periodical basis. Human Rights due-diligence will be conducted in FY 2024-25.

**LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Planned steps are being taken to create the infrastructure support for Persons with Disabilities in offices & plants. The Company is committed to creating an inclusive environment that accommodates the needs of all individuals, ensuring that everyone can access our services and facilities comfortably & safely.

**Policy link-** <https://www.adorwelding.com/wp-content/uploads/2023/05/Equal-Opportunity-Policy.pdf>

**LI-4. Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour / Involuntary Labour	0
Wages	0
Others – please specify	NA

**LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.-**

Based on the assessments undertaken, no corrective actions were required to be taken.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators****EI-1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	2035.55	2133.41
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>2035.55</b>	<b>2133.41</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	52893.30	49753.65
Total fuel consumption (E)	21064.95	21732.87
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>73958.25</b>	<b>71486.52</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>75993.80</b>	<b>73619.93</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)</b>	<b>0.86 GJ / Lakh</b>	<b>0.95 GJ / Lakh</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)</b>	<b>19.26 GJ / Lakh USD</b>	<b>21.01 GJ / Lakh USD</b>
<b>Energy intensity in terms of physical output</b>	<b>4.12 GJ / Number of Static Welding Equipment</b>	<b>5.30 GJ / Number of Static Welding Equipment</b>
<b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

**Remarks:** Values are in GJ.

**EI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, no independent assessment has been carried out by the external agency.

**EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, the entity does not have any facilities under PAT Scheme.

**EI-3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0.00	0.00
(ii) Groundwater	25110.72	33125.49
(iii) Third party water	22217.02	14703.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>47327.74</b>	<b>47828.49</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>31957.84</b>	<b>35017.99</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.3616 KL / Lakh</b>	<b>0.4508 KL / Lakh</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)</b>	<b>8.099 KL / Lakh USD</b>	<b>9.993 KL / Lakh USD</b>
<b>Water intensity in terms of physical output</b>	<b>1.73 KL / Number of Static Welding Equipment</b>	<b>2.52 KL / Numbers of Static Welding Equipment</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity.</b>	-	-

**EI-3. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No**

**EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)**

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	2920.00	2810.50
(ii) To Groundwater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	12449.30	10000.00
(iii) To Seawater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(v) Others		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
<b>Total water discharged (in kilolitres)</b>	<b>15369.30</b>	<b>12810.50</b>



**Remarks:** Sewage treatment plant (STP) & Effluent Treatment Plant (ETP) are the level of treatment, which are followed to treat the surface Water and ground water discharged generated during manufacturing activity.

**EI-4. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-** No

**EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.-**

Yes, considering water as a crucial environmental resource, we have implemented initiatives across all manufacturing units to conserve and recycle water, ensuring Zero Liquid Discharge (ZLD). The entity has established ZLD mechanisms through Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP), which treat water and the treated water is used for gardening purposes. Additionally, we also have a ZLD system in place.

**EI- 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameters	Please specify Unit	Current Financial Year	Previous Financial Year
NOx	mg/m3	13.609	15.201
Sox	mg/m3	21.300	21.100
Particulate matter (PM)	mg/m3	73.118	80.124
Persistent organic pollutants (POP)	mg/m3	0.00	0.00
Volatile organic compounds (VOC)	mg/m3	0.00	0.00
Hazardous air pollutants (HAP)	mg/3	0.00	0.00
Others – please specify	NA	NA	NA

**EI-6. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-** No

**EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	1267.09	1296.30
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	10431.70	9812.50
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b>	TCO <sub>2</sub> e / rupee of turnover	0.1324 TCO <sub>2</sub> e / Lakh	0.1430 TCO <sub>2</sub> e / Lakh
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO <sub>2</sub> e / rupee of turnover	2.9650 TCO <sub>2</sub> e / Lakh	3.1702 TCO <sub>2</sub> e / Lakh
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	TCO <sub>2</sub> e / rupee of turnover	0.6339 TCO <sub>2</sub> e / Number of Static Welding Equipment	0.7994 TCO <sub>2</sub> e / Number of Static Welding Equipment
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>	TCO <sub>2</sub> e	-	-

**EI-7. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No**

**EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.-**

Yes, the Company is aligned to emissions management strategy with the global goals of minimising carbon footprint and mitigating climate change risks. Accordingly, processes are streamlined to move closer to the common goal. Reducing GHG emissions is not only a business imperative, but also forms a vital part of the Company's environmental strategy, going forward. With the use of renewable energy sources, there is a reduction in emissions.

**EI-9. Provide details related to waste management by the entity, in the following format:**

Parameters	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	436.38	402.00
E-waste (B)	0.81	0.69
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	300.00	15.00
Battery waste (E)	0.50	0.51
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	28.14 287 Number of empty barrell / containers	36.44 215 Number of empty barrell / containers
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1484.86	1210.23
<b>Total (A+B+C+D+E+F+G+ H)</b>	<b>2250.69</b>	<b>1664.87</b>
<b>Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)</b>	<b>0.0255 MT / Lakh</b>	<b>0.0214 MT / Lakh</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)</b>	<b>0.5704 MT / Lakh USD</b>	<b>0.4751 MT / Lakh USD</b>
<b>Waste intensity in terms of physical output</b>	<b>0.1220 MT / Numbers</b>	<b>0.1198 MT / Numbers</b>
<b>Waste intensity (optional) the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste – Plastic</b>		
(i) Recycled	46.38	28.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>46.38</b>	<b>28.00</b>

Parameters	FY 2023-24	FY 2022-23
<b>Category of waste - E-Waste</b>		
(i) Recycled	0.81	0.69
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.81</b>	<b>0.69</b>
<b>Category of waste - Bio-medical waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Battery waste</b>		
(i) Recycled	0.02	0.51
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.02</b>	<b>0.51</b>
<b>Category of waste - Radioactive waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Other Hazardous waste</b>		
(i) Recycled	28.00	36.30
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>28.00</b>	<b>36.30</b>
<b>Category of waste - Other Non-Hazardous waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste – Plastic</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	390.00	374.00
<b>Total</b>	<b>390.00</b>	<b>374.00</b>

Parameters	FY 2023-24	FY 2022-23
<b>Category of waste - E-Waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Bio-medical Waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	300.00	15.00
(iii) Other disposal operations	0	0
<b>Total</b>	<b>300.00</b>	<b>15.00</b>
<b>Category of waste – Battery</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.48	0.00
<b>Total</b>	<b>0.48</b>	<b>0.00</b>
<b>Category of waste - Radioactive</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Category of waste - Other Hazardous waste. Please specify, if any</b>		
(i) Incineration	287 number of Empty barrell / containers	215 number of Empty barrell / containers
(ii) Landfilling	0.14	0.14
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.14</b>	<b>0.14</b>
<b>Category of waste - Other Non-hazardous waste generated</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	1484.86	1210.23
<b>Total</b>	<b>1484.86</b>	<b>1210.23</b>

**EI-9. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No**

**EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.-**

The company has implemented a standard operating procedure to reduce waste and regularly ensures to promote responsible waste management practices. Kindly refer Principle 2 EI 3 of this report for detailed procedure of waste management.

**EI-11.If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Not Applicable		

**EI-12. Details of environmental impact assessments of projects undertaken by the entity, based on applicable laws, in the current financial year:**

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable					

**EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes**

S. No.	Specify the law / regulation / guidelines, which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective actions taken, if any
1	Not Applicable			

## Leadership Indicators

**LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (i) Name of the area**  
Not Applicable

**LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (ii) Nature of operations**  
Not Applicable

**LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:**

Parameters	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	0	0
<b>Total volume of water consumption (in kilolitres)</b>	-	-
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	-	-
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	0	0

**LI-1. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No**

**LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:**

Parameters	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MTCO <sub>2</sub> E	0	0
Total Scope 3 emissions per rupee of turnover	MTCO <sub>2</sub> E / rupee of turnover	0.00 MTCO <sub>2</sub> E / Lakh	0.00 MTCO <sub>2</sub> E / Lakh
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MTCO <sub>2</sub> E / Number of Static Welding equipment	-	-

**LI-2. Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No**

**LI-3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.- Not Applicable**

**LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Install Roof Solar 0.5 MW	<a href="http://kiosk.datareadings.com/8YzJGq1r/overview">http://kiosk.datareadings.com/8YzJGq1r/overview</a>	Reducing the greenhouse gas emission by 273 MT per year
2	Install Drip Irrigation System (for Watering In Garden from STP Outlet)		25% water saving over the last year

**LI-5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, HSEM 1002 CH 11 in case of Fire in Factory Premises: This includes sequence of activities to be carried out spontaneously in a chronological order, whenever fire emergency exists. Inform security staff immediately. Inform Incident controller on site immediately. Identify type of fire & select suitable fire extinguisher from nearby location (as per fire extinguisher guide/ Display provided in prominent areas at site), Operate Portable fire extinguisher, extinguish the fire and assess the situation, if situation is alarming call fire brigade by dialling fire control room (101) / nearest fire station.

Raise the Siren: intermittent high & low pitch sound for one minute

Location: Ensure that the factory gate is clear and open for fire brigade van and no vehicle is standing in between the entry road. In case of injury to any person, give first aid and shift the victim to the nearby hospital by an emergency vehicle, which is always available.

**LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

There has not been any noticeable / known adverse effect or impact on Environment from our Value Chain partners. We believe that they are all aware of the Environmental & Safety norms and must be adhering to the same.

**LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.- Not done**

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential Indicators

**EI-1.a. Number of affiliations with trade and industry chambers / associations.- 2**

**EI-1.b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

S. NO	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State / National)
1	Bombay Chamber of Commerce and Industry (BCCI)	State
2	Association of Welding Products Manufacturers (AWPM)	National

**EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

S. No.	Name of authority	Brief of the case	Corrective action taken
1	Not Applicable		

### Leadership Indicators

**LI-1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	NIL				



**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development****Essential Indicators**

**EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable					

**EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of the Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Not Applicable					

**EI-3. Describe the mechanisms to receive and redress grievances of the community.-**

For FY 2022-23 and 2023-24, there were no grievances reported from the community. While the Company does not currently have a formal mechanism to address community grievances, however we are considering developing one in the future.

**EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs / small producers	41%	31%
Sourced directly from within India	84%	89%

**EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)**

Location	Current Financial Year	Previous Financial Year
Rural	0	0
Semi-urban	1.24%	0.50%
Urban	56.74%	49.36%
Metropolitan	42.02%	50.14%

## Leadership Indicators

**LI-1. Provide details of actions taken to mitigate any negative social impacts, identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

S. No.	Details of negative social impact identified	Corrective action taken
1	Not Applicable	

**LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts, as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1	NIL		

**LI-3.a. Do you have a preferential procurement policy, where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)- No**

**LI-3.b. From which marginalized / vulnerable groups do you procure?- Currently, we are not procuring from marginalized / vulnerable groups.**

**LI-3.c. What percentage of total procurement (by value) does it constitute?- NA**

**LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Not Applicable			

**LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.**

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not Applicable		

**LI-6. Details of beneficiaries of CSR Projects:**

<b>S. No.</b>	<b>CSR Project</b>	<b>No. of persons benefited from CSR Projects</b>	<b>% of beneficiaries from vulnerable and marginalized groups</b>
1	Additional salary to the school teachers at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	12	0
2	Refurbishment of Girls Washroom at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	1,300	0
3	Providing Umbrellas to Anganwadi Workers at Silvassa through (Department of Social Welfare (Women & Children Development))	303	0
4	Supporting people affected / displaced due to Biparjy Cyclone, through Mahila Seva Trust	-	0
5	Education, Women Empowerment, Skill Development & Healthcare Activities through Ador Foundation	-	0
6	Providing assistance to Baby Viaashka Chavan, an innocent child suffering from a deadly disease, through Nanhi Pari Foundation.	1	0
7	Assisted a 6-Month Old Girl Child suffering from Ca-Retinoblastoma (eye cancer) through Nanhi Pari Foundation	1	0
8	Education to underprivileged children through U & I Trust	-	0
9	Sponsoring education of 10 tribal students at Silvassa through Akhil Bharatiya Varvasi Kalyan Ashram	10	0
10	Sponsoring annual educational expenses of 10 students through Ajit Foundation	10	0
11	Sponsoring annual educational expenses of 6 underprivileged girl students through Shiksha Foundation	6	0
12	Working for Special / disabled Children through Madhuban Matimand Bahuvikalang Samajik Santha	-	0
13	Working towards supporting women, who stay in slums areas (like providing soft skill training & placements), through Vipla Foundation	-	0
14	Sponsoring infrastructural development at a rural school in Satara	139	0
15	Providing pressure cookers to the families of Anganwadi Workers through (Department of Social Welfare (Women & Children Development))	144	0
16	Financial assistance for providing mental health to the low-income group people through the Institute of Psychological Health (IPH)	2	0

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.-**

**Consumer Complaints Resolution:** a well-established system viz. Customer Care Centre (CCC) is in place for dealing with customer feedback and complaints. Customers are provided various options to connect with the Company through Zendesk platform, WhatsApp, e-mails, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed, and efforts are taken to resolve the same in a timely manner. Around 75% of the complaints were related to application issue (lack of knowledge of customer / their welder). The application issues were all addressed and resolved within maximum of 48 hours through online consultation or physical visits by technical experts from the related plants. All the complaints are efficiently attended by our cross functional team (plant Customer Care / plant QC team / plant production / TDC {R&D} team) along with our service team. Further, we conduct regular meetings with customer representatives for understanding the nature of difficulties faced by our customers. Based on the feedback of representatives, we suggest welding parameters specific to the customer’s job, provide demonstration to the welders at customer’s premises as well as replace specific lot, if required, in order to satisfactorily resolve the complaints. Corrective & preventive actions are taken and shared with the customers as well.

**Consumer Feedback:** We do have a system in place to get feedback from our customers, which is through our Sales and Service team. A feedback sheet is sent to the customers, to give their views / feedback on our services, including product quality, cost and timely delivery, amongst other things. In the said feedback sheet, the customer can rate our services in the scale from “poor to excellent” and has to also mention their expectations, if any. In addition to this, we also carry out survey through electronic media from time-to- time to get customer feedback. Upon receipt of feedback, the same are analyzed and a suitable action plan is formed for improvements. We have not carried-out any consumer survey / consumer satisfaction survey in the last Financial Year 2023-24. However, we have collected customer feedback forms / performance letters from our customers / vendors.

**EI-2. Turnover of products and / services as a percentage of turnover from all products / service, that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**EI-3. Number of consumer complaints in respect of the following:**

Category	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

**EI-4. Details of instances of product recalls on account of safety issues:**

Category	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

**EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.-**

Yes

**Policy Link:** <https://www.adorwelding.com/wp-content/uploads/2023/10/Data-Privacy-Management-Policy.pdf>

**EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.- NA****EI-7. Provide the following information relating to data breaches**

- Number of instances of data breaches along-with impact-** Zero numbers of such Instances.
- Percentage of data breaches involving personally identifiable information of customers-** No instances of data breaches.
- Impact, if any, of the data breaches-** There were no instances of data breaches, hence impact of the same is Nil.

## Leadership Indicators

### **LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).-**

Information of the Company's products and services can be accessed through the following channels:

- Company Website: Welding Products & Services (<https://www.adorwelding.com/>)

### **LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.-**

Instructions about safe & responsible usage are available in the operational manual of each product. Information content includes : 1. Introduction 1.a. Precautions & do`s -don'ts 1.b. Welding sparks 1.c. Fumes 1.d. Burns 1.e. Explosions 1.f. Gas Cylinders 1.g. Pressure Regulators 2. Electric Shock 3. Radiations 4. Electric & Magnetic field information 5. Disposal of Electronic / electrical Equipment's -hazardous, non-hazardous 6. Commissioning & usage process, Step wise information available in operation & instruction manual.

### **LI-3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.-**

Regular circulars are sent from the corporate marketing office via email to inform the customers about the risk of disruption or discontinuation of essential services.

### **LI-4. Does the entity display product information on the product over & above, what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction, relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)-**

Yes, we diligently adhere to all guidelines stipulated by the Legal Metrology and Weights & Measures Act and ensure that accurate & compliant product information is displayed. Additionally, we prioritize transparency and consumer trust by providing comprehensive details beyond legal requirements, where feasible. While we have not conducted any surveys regarding consumer satisfaction pertaining to our major products / services or significant operational locations, we do have a grievance mechanism in place. Stakeholders can raise their complaints or any other issues, through our dedicated email address: [care@adorians.com](mailto:care@adorians.com).

## Independent Auditor's Report

### To the Members of Ador Welding Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of **Ador Welding Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information 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 financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter 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
<b>Revenue Recognition</b>	
Refer note 34 and note 60 to the accompanying financial statements for the material accounting policy on revenue recognition and details of revenue recognised during the year.	
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.	Our audit procedures, related to revenue recognition, included, but were not limited, to the following: <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and evaluated the appropriateness of the accounting policy adopted by management on revenue recognition in accordance with Ind AS 115;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>The Company has three reportable business segments: i) Consumables ii) Equipment and automation; and iii) Flares and Process Equipment Division (FPED).</p> <p>The timing of recognition of revenue in case of sale of consumables and equipment and automation is when control over the same is transferred to the customer. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of the agreement i.e., performance obligations are satisfied at a point in time. The performance obligations in case of FPED, are satisfied over the time.</p> <p>Owing to the diverse terms of contracts with customers, in line with the requirements of the standards of auditing, revenue is determined to be an area involving significant risk and hence, requiring significant auditor attention. Further, the application of Ind AS 115 - Revenue from Contracts with Customers ('Ind AS 115') requires management to make certain key judgements / estimates such as determining timing of revenue recognition and transaction price including impact of variable consideration as per the terms of the contracts with customers.</p> <p>The management considers revenue as a key measure for evaluation of performance and thus timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred to the customers.</p> <p>Considering significance of amount involved, varied terms of contracts with customers and above-mentioned key judgements / estimates, revenue recognition is considered to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and tested the operating effectiveness of Company's controls (including the automated controls) around revenue recognition;</li> <li>• Assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price including impact of variable consideration and allocation thereof to performance obligations in accordance with the accounting principles laid down in Ind AS 115;</li> <li>• Scrutinized sales ledgers to verify completeness of sales transactions;</li> <li>• Performed substantive testing by extracting samples of revenue transactions recorded during the year, including specific period before and after the year end, by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, invoice and approved price list etc;</li> <li>• Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract;</li> <li>• 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;</li> <li>• 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;</li> <li>• Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; and</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures included in financial statements in accordance with Ind AS 115.</li> </ul>



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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

#### **Report on Other Legal and Regulatory Requirements**

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying 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 except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended));
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended));
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and 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 44 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024.
    - 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 2024;
    - 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 2024;
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 59 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
      - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 59 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared by the Company during the year ended 31 March 2024 is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend is not paid on the date of this audit report. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. As stated in note 69 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail (edit logs) was enabled however, not retained for the period 1 April 2023 to 24 June 2023 at the database level for the accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

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

Khushroo B. Panthaky  
**Partner**  
**Membership No.:** 042423  
**UDIN:** 24042423BKCMMW8717

**Place:** Mumbai  
**Date:** 30 April 2024

**Annexure A: Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Ador Welding Limited on the financial statements for the year ended 31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 2 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) As disclosed in Note 46 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with 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 became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs. In lakhs)	Amount paid under Protest (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of scientific research expenses	62.63	12.55	2013-14	CIT(A)
	Addition in Income and Disallowance of entrance fees and subscriptions Restatement impact	89.88	-	2019-20	CIT(A)
	Disallowance of Research & Development Expenses claimed.	4.66	-	2017-18	CIT(A)
Customs Act, 1962	Rejection of refund of excess duty paid	45.53	45.53	2016-17	Custom, Excise and Service Tax Appellate Tribunal
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	Custom, Excise and Service Tax Appellate Tribunal
		13.40	0.50	2003-04	Commissioner Excise
		899.00	898.16	April-2012 to Mar-2017	Custom, Excise and Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Gross Amount (Rs. In lakhs)	Amount paid under Protest (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales Tax Acts of various statutes	Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/interest, if any)	18.07	9.21	1987-1988, 1992-1993	High court
		20.09	-	2004-05	Joint Commissioner-Sales Tax
		6.88	-	2004-05	Joint Commissioner-Sales Tax
		7.98	-	2003-04	Joint Commissioner-Sales Tax
		0.21	-	2003-04	Joint Commissioner-Sales Tax
		327.42	-	2009-10	Joint Commissioner (VAT)
		156.03	-	2015-16	Joint Commissioner (VAT)
		4.78	0.74	July'2017 to March'2019	Commissioner-Appeal
		8.66	-	2017-18	Joint Commissioner-Appeal
		79.17	41.83	2016-17	Deputy Commissioner (Appeals)
BIS Act, 2016	Certain imported inventory which has been detained by the Bureau of Indian Standards (BIS).	3,643	-	2023-24	Bombay High Court

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
  - (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
  - (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
  - (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
  - (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.



- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Khushroo B. Panthaky  
**Partner**  
**Membership No.:** 042423  
**UDIN:** 24042423BKMMW8717

**Place:** Mumbai  
**Date:** 30 April 2024

## **Annexure B: Independent Auditor's Report on the internal financial controls with reference to the 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 financial statements of Ador Welding Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, 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.

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

Khushroo B. Panthaky  
**Partner**  
**Membership No.:** 042423  
**UDIN:** 24042423BKCMW8717

**Place:** Mumbai  
**Date:** 30 April 2024

## BALANCE SHEET AS AT 31 MARCH 2024

Particulars	Notes	(Rs. in lakhs)	
		As at 31 March 2024	As at 31 March 2023
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	10,902	10,738
(b) Right-of-use asset	3	706	484
(c) Capital work-in-progress	4	2,537	151
(d) Investment properties	5	1,085	1,045
(e) Intangible assets	6	69	47
(f) Intangible assets under development	7	-	41
(g) Financial assets			
(i) Investment	8	320	269
(ii) Loans	9	-	22
(iii) Other financial assets	10	673	767
(h) Non-current income tax assets (net)	11	1,198	1,115
(i) Deferred tax assets (net)	12	438	464
(j) Other non-current assets	13	1,877	1,654
<b>Total non-current assets</b>		<b>19,805</b>	<b>16,797</b>
<b>(2) Current assets</b>			
(a) Inventories	14	12,238	11,621
(b) Financial assets			
(i) Investments	15	2,005	1,759
(ii) Trade receivables	16	15,045	12,517
(iii) Cash and cash equivalents	17	183	595
(iv) Bank balances other than cash and cash equivalent	18	91	94
(v) Loans	19	176	38
(vi) Other financial assets	20	113	50
(c) Other current assets	21	2,380	1,617
		<b>32,231</b>	<b>28,291</b>
(d) Assets classified as held for sale	22	25	80
<b>Total current assets</b>		<b>32,256</b>	<b>28,371</b>
<b>Total Assets</b>		<b>52,061</b>	<b>45,168</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	23	1,360	1,360
(b) Other equity		34,878	30,991
<b>Total equity</b>		<b>36,238</b>	<b>32,351</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	60	73
(ii) Lease liabilities	47	72	84
(iii) Other financial liabilities	25	26	16
(b) Provisions	26	760	615
(c) Other non-current liabilities	27	4	6
<b>Total non-current liabilities</b>		<b>922</b>	<b>794</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	28	4,191	1,513
(ii) Lease liabilities	47	78	58
(iii) Trade payables	29		
Total outstanding dues to micro and small enterprises		1,141	1,366
Total outstanding dues to creditors other than micro and small enterprises		5,853	5,938
(iv) Other financial liabilities	30	1,822	1,350
(b) Other current liabilities	31	852	809
(c) Provisions	32	964	660
(d) Current tax liabilities (net)	33	-	329
<b>Total current liabilities</b>		<b>14,901</b>	<b>12,023</b>
<b>Total equity and liabilities</b>		<b>52,061</b>	<b>45,168</b>
Summary of material accounting policy information	1		
The accompanying notes form an integral part of the financial statements			
This is the balance sheet referred to in our report of even date.			

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Parthaky

Partner

Membership No. 042423

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

Surya Kant Sethia  
Chief Financial Officer

Aditya T. Malkani  
Managing Director  
DIN : 01585637

N. Malkani Nagpal  
Executive Chairman  
DIN : 00031985

Place : Mumbai  
Date : 30 April 2024

Place : Mumbai  
Date : 30 April 2024

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Rs. in lakhs)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Income</b>			
(a) Revenue from operations	34	88,383	77,676
(b) Other income	35	1,307	667
<b>Total Income</b>		<b>89,690</b>	<b>78,343</b>
<b>II. Expenses</b>			
(a) Cost of raw materials and components consumed	36	54,735	51,065
(b) Purchase of stock-in-trade	37	2,996	2,643
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	1,493	(1,396)
(d) Employee benefits expenses	39	7,263	5,685
(e) Finance costs	40	402	236
(f) Depreciation and amortisation expense	2,3,5,6	1,342	1,161
(g) Other expenses	41	12,904	10,958
<b>Total Expenses</b>		<b>81,135</b>	<b>70,352</b>
<b>III. Profit before exceptional items and tax (I-II)</b>		<b>8,555</b>	<b>7,991</b>
<b>IV. Exceptional items (net) (expenses) / income</b>	62	-	(80)
<b>V. Profit before tax (III-IV)</b>		<b>8,555</b>	<b>7,911</b>
<b>VI. Tax expense /(credit)</b>	42		
(a) Current tax		2,136	2,174
(b) Deferred tax credit		44	(173)
(c) Tax pertains to earlier years		56	(19)
<b>Total tax expense</b>		<b>2,236</b>	<b>1,982</b>
<b>VII. Profit for the year (V-VI)</b>		<b>6,319</b>	<b>5,929</b>
<b>VIII. Other comprehensive income</b>	43		
(a) Items that will not be reclassified to statement of profit and loss		(70)	(91)
(b) Income tax relating to above items		18	23
<b>Total other comprehensive loss (net)</b>		<b>(52)</b>	<b>(68)</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>6,267</b>	<b>5,861</b>
<b>X. Earnings per equity share</b>	56		
Basic and diluted earnings per share (Face value per share Rs.10)		<b>46.46</b>	43.60

Summary of material accounting policy information 1

The accompanying notes form an integral part of the financial statements

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

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

Khushroo B. Panthaky  
Partner  
Membership No. 042423

Place : Mumbai  
Date : 30 April 2024

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

Surya Kant Sethia  
Chief Financial Officer

Aditya 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 : 30 April 2024

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>8,555</b>	7,911
<b>Adjustment for:</b>		
Fair value adjustments relating to		
- Financial assets at amortised cost	-	(4)
Provision / liabilities no longer required now written back	<b>(145)</b>	(61)
Depreciation and amortisation expense	<b>1,342</b>	1,161
Bad debts written off	<b>36</b>	29
Expected Credit Loss	<b>194</b>	492
Inventory written off	<b>80</b>	126
Property, plant and equipment written off	<b>18</b>	29
Gain on derecognition of ROU and Lease liability	-	(29)
<b>Items considered separately:</b>		
Finance costs	<b>385</b>	220
Surplus on sale of investments	<b>(8)</b>	(49)
Interest expense on lease liability	<b>14</b>	15
(Profit)/loss on sale of property, plant & equipment	<b>(41)</b>	(11)
Fair value change of financial asset measured at FVTPL	<b>(284)</b>	9
Interest income	<b>(141)</b>	(116)
Rental income	<b>(129)</b>	(126)
Exchange gain on revaluation of foreign currency monetary item	<b>(48)</b>	(1)
Exceptional items (Refer note 62)	-	80
<b>Operating profit before working capital changes</b>	<b>9,828</b>	9,675
<b>Adjustments for changes in working capital</b>		
Inventories	<b>(697)</b>	(2,750)
Trade receivables	<b>(2,709)</b>	(3,717)
Loans and Other receivables	<b>(919)</b>	166
Trade payables	<b>(308)</b>	(382)
Liabilities and Provisions	<b>860</b>	165
<b>Cash generated from operating activities</b>	<b>6,055</b>	3,157
Income tax paid	<b>(2,605)</b>	(1,790)
<b>Net cash generated from operating activities</b>	<b>3,450</b>	1,367
<b>(B) Cash flow from investing activities</b>		
Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets under development, capital advances and creditors for capital goods)	<b>(4,164)</b>	(1,475)
Purchase of investments	<b>(369)</b>	(680)
Proceeds from sale of property, plant and equipment	<b>105</b>	123
Proceeds from sale of investments	<b>361</b>	680

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest received	124	97
Rental received	129	129
Increase/ (decrease) in fixed deposits	125	160
<b>Net cash used in investing activities</b>	<b>(3,689)</b>	<b>(966)</b>
<b>(C) Cash flow from financing activities</b>		
Finance cost	(378)	(220)
Finance cost paid on lease liabilities	(14)	(15)
Repayment of lease liability	(66)	(49)
Repayment of borrowings	(12)	(11)
Dividend paid	(2,380)	(1,700)
Proceeds from borrowings	2,677	1,528
<b>Net cash used in financing activities</b>	<b>(173)</b>	<b>(467)</b>
<b>(D) Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(412)</b>	<b>(66)</b>
Cash and cash equivalents at the beginning of the year	595	661
Cash and cash equivalents at the end of the year [Refer note 17]	183	595

### 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:

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Cash on hand	8	5
Balances with banks in current accounts	175	590
<b>Total</b>	<b>183</b>	<b>595</b>

Summary of material accounting policy information

1

The accompanying notes form an integral part of the financial statements

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

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N/N500013  
Khushroo B. Panthaky  
Partner  
Membership No. 042423

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

Surya kant Sethia  
Chief Financial Officer

Aditya T. Malkani  
Managing Director  
DIN : 01585637

N. Malkani Nagpal  
Executive Chairman  
DIN : 00031985

Place : Mumbai  
Date : 30 April 2024

Place : Mumbai  
Date : 30 April 2024

## STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

### A) Equity share capital (Refer note 23)

Particulars	Number of shares	Amount (Rs. in lakhs)
<b>Issued, subscribed and paid up:</b>		
As at 31 March 2023	1,35,98,467	1,360
<b>As at 31 March 2024</b>	<b>1,35,98,467</b>	<b>1,360</b>

### B) Other equity

Particulars	Reserves and surplus				(Rs. in lakhs)	
	General reserve	Capital redemption reserve	Capital reserve on amalgamation	Retained earning	Total	
Balance as at 1 April 2022	14,669	223	140	11,800	26,832	
Profit for the year	-	-	-	5,929	5,929	
Net other comprehensive (loss) for the year	-	-	-	(68)	(68)	
Transfer from retained earnings to general reserve	452	-	-	(452)	-	
Equity dividend including taxes thereon as above	-	-	-	(1,700)	(1,700)	
<b>Balance as at 31 March 2023</b>	<b>15,121</b>	<b>223</b>	<b>140</b>	<b>15,509</b>	<b>30,991</b>	
Profit for the year	-	-	-	6,319	6,319	
Net other comprehensive (loss) for the year	-	-	-	(52)	(52)	
Transfer from retained earnings to general reserve	593	-	-	(593)	-	
Equity dividend including taxes thereon as above	-	-	-	(2,380)	(2,380)	
<b>Balance as at 31 March 2024</b>	<b>15,714</b>	<b>223</b>	<b>140</b>	<b>18,803</b>	<b>34,878</b>	



## 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 was created on/during buy back of equity shares and it is a non-distributable reserve.

### (3) Capital reserve on amalgamation

The Capital reserve has been created on the difference between the consideration for acquisition of Ador Welding Academy Private Limited (AWAPL) and the amount of share capital and security premium of AWAPL as per Ind AS 103 (Appendix C), Business combinations of entities under common control.

### (4) Retained earnings

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

Summary of material accounting policy information 1

The accompanying notes form an integral part of the financial statements

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

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

Khushroo B. Panthaky  
Partner  
Membership No. 042423

Place : Mumbai  
Date : 30 April 2024

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

Surya kant Sethia  
Chief Financial Officer

Aditya 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 : 30 April 2024

## Note 1 - Material accounting policy information to the financial statements for the year ended 31 March 2024

### 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 financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 30 April 2024.

### II. Material Accounting Policy Information

Below is list of material accounting policy information applied by the Company in the preparation of its financial statements. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### (a) Basis of Preparation

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 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act and guidelines issued by the Securities & Exchange Board of India (SEBI).

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.

#### (b) Critical estimates and judgements

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 Property plant and equipment (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 (except for vehicles as disclosed in note 1(II)9c)) as those prescribed in Schedule II to the Act. - Refer note 1(II)(c),(d),(e) and (f).

#### **Valuation of deferred tax assets / liabilities**

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

#### **Defined benefit obligation**

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 50.

#### **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)(h).

#### **Other areas involving critical estimates or judgments are:**

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

#### **(c) Property plant and equipment**

All items of Property, plant and equipment (other than freehold land) are stated at cost/deemed cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold Land is carried at historical cost less any accumulated impairment losses. 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.

**Estimated useful lives of assets are as follows:**

<b>Assets Category</b>	<b>Useful Life (in Years)</b>	<b>Basis of Determination of useful life</b>
Buildings	30-60 years	Assessed to be in line with schedule II to the Act
Ownership Premises	30-60 years	Assessed to be inline with schedule II to the Act
Plant and equipments (including computer)	8 to15 years	Assessed to be in line with schedule II to the Act
Electrical installation	10 years	Assessed to be in line with schedule II to the Act
Furniture and fixtures	8 to10 years	Assessed to be in line with schedule II to the Act
Office equipment	5 years	Assessed to be in line with schedule II to the Act
Vehicles	4 to10 years	Management Estimate ^

^ As per management estimate and based on new vehicle policy, motor cars purchased after 1-4-2019 are depreciated over 4 years.

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

**(d) 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. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

**(e) Intangible Assets (including intangibles under development)**

**Initial recognition and measurement**

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.

**Subsequent measurement (amortisation and useful lives)**

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. The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortization expense.

**Derecognition**

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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.

**(f) Investment properties****Initial recognition and measurement**

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.

**Derecognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

**Estimated useful lives of assets are as follows:**

<b>Assets Category</b>	<b>Useful Life (in Years)</b>	<b>Basis of Determination of useful life</b>
Buildings	30-60 years	Assessed to be in line with schedule II to the Act
Ownership Premises	30-60 years	Assessed to be inline with schedule II to the Act

**(g) Impairment of non-financial assets**

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

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

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

## (h) Investments and financial assets

### Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in 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.

### Initial recognition and 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.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

### 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 (FVTPL):** 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.

#### **(i) 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.

#### **(j) Borrowings and other financial liabilities**

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

#### **(k) Inventories**

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

#### **(l) Revenue recognition**

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

##### **i) Sale of consumables**

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

## ii) Flares and process equipment division (FPED)

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

The Company monitors estimates of total contract revenue and costs on a regular basis throughout the contract period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

## iii) Contract Assets

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

## iv) Benefit on account of entitlement to Import duty

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

## (m) Other income

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

## (n) Employee Benefits

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

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

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



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

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

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

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

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

## (o) Income taxes

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

## **(p) Leases**

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **As a Lessor:**

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

**(q) Foreign currency transactions**

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

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

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

**(r) Provisions, contingent liabilities and contingent assets**

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

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

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

**(s) Earnings per share**

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

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

**(t) Provision for warranty**

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

**(u) Research & Development**

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

**(v) Recent Pronouncements**

The Company applied for the first time these amendments of Ind AS 8, Ind AS 1 and Ind AS 12 and there are no material impact on financial statements.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to existing standards applicable to the Company.

**Note 2 - Property, plant and equipment**

Description	(Rs. in lakhs)											Total		
	Freehold land	Buildings [Refer notes (a)]	Ownership premises	Plant and equipment (including computers)	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Freehold land	Buildings	Plant and equipment (including computers)		Furniture and fixtures	Air conditioner
<b>Gross Carrying Value</b>														
As at 01 April 2022	342	7,506	345	14,579	1,335	1,050	305	488	34	127	779	4	7	26,901
Additions	-	440	-	1,193	20	43	22	209	-	-	43	-	-	1,970
Adjustments [Refer notes (c) as below]	-	-	-	206	-	-	-	-	-	-	-	-	-	206
Deductions	-	13	-	605	13	21	5	45	-	-	-	-	-	702
Transfer to Investment Property [Refer notes (d) & (e) as below]	-	663	38	-	-	-	-	-	-	-	-	-	-	701
As at 31 March 2023	342	7,269	307	14,961	1,342	1,072	322	652	34	127	822	4	7	27,262
Additions	-	139	-	846	124	38	22	142	-	46	63	-	-	1,420
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to IP [Refer notes (b) as below]	2	77	-	-	-	-	-	-	-	-	-	-	-	79
Deductions	-	55	-	128	25	39	18	48	-	-	6	-	-	319
<b>As at 31 March 2024</b>	<b>340</b>	<b>7,276</b>	<b>307</b>	<b>15,679</b>	<b>1,441</b>	<b>1,071</b>	<b>326</b>	<b>746</b>	<b>34</b>	<b>173</b>	<b>879</b>	<b>4</b>	<b>7</b>	<b>28,285</b>
<b>Accumulated depreciation</b>														
As at 01 April 2022	-	2,733	86	11,029	949	561	211	194	-	96	563	2	5	16,430
Depreciation charge	-	245	8	516	55	69	30	97	-	1	27	0	0	1,050
Adjustments [Refer notes (c) as below]	-	-	-	5	-	-	-	-	-	-	-	-	-	5
Deductions	-	5	-	570	13	18	5	32	-	-	-	-	-	642
Transfer to Investment Property [Refer notes (d) & (e) as below]	-	299	10	-	-	-	-	-	-	-	-	-	-	309
As at 31 March 2023	-	2,674	84	10,970	991	612	236	259	-	97	591	3	6	16,524
Depreciation charge	-	255	8	599	54	71	29	122	-	1	28	-	-	1,167
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	52	-	125	20	34	17	38	-	-	6	-	-	292
Transfer to Investment Property [Refer notes (b) as below]	-	17	-	-	-	-	-	-	-	-	-	-	-	17
<b>As at 31 March 2024</b>	<b>-</b>	<b>2,860</b>	<b>93</b>	<b>11,444</b>	<b>1,025</b>	<b>649</b>	<b>248</b>	<b>343</b>	<b>-</b>	<b>98</b>	<b>612</b>	<b>3</b>	<b>6</b>	<b>17,383</b>
<b>Net carrying value</b>														
As at 31 March 2023	342	4,595	223	3,991	351	460	86	393	34	30	231	1	1	10,738
<b>As at 31 March 2024</b>	<b>340</b>	<b>4,416</b>	<b>214</b>	<b>4,235</b>	<b>416</b>	<b>422</b>	<b>78</b>	<b>403</b>	<b>34</b>	<b>75</b>	<b>268</b>	<b>1</b>	<b>1</b>	<b>10,902</b>

**Notes:-**

- (a) Includes:
- (i) Rs. 0.01 lakh (31 March 2023: Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
  - (ii) Rs. 4 lakhs (31 March 2023: Rs. 4 lakhs) for tenements in an association of apartment owners.
- (b) During the current year:
- (i) Freehold land having gross carrying amount of Rs. 2 lakhs has been transferred to "Investment Property" as the Company has stopped business activities from the office and leased out the premises.
  - (ii) Buildings having gross carrying amount of Rs. 77 lakhs and accumulated depreciation of Rs. 17 lakh has been transferred to "Investment Property" as the Company has stopped business activities from the office and leased out the premises.
- (c) During the previous year, a plant & machinery at silvassa classified from "Property, plant and equipment" (Gross carrying amount Rs. 206 lakhs and Accumulated depreciation of Rs. 5 lakhs till 31 March 2023) is classified as "Asset held for sale".
- (d) During the previous year, a factory building at Chennai plant has been transferred from "Property, plant and equipment" (Gross carrying amount Rs. 663 lakhs and Accumulated depreciation of Rs. 299 lakhs) to "Investment Property". As there is no business activities in the said premises.
- (e) During the previous year, a Ownership premises at Indore has been transferred from "Property, plant and equipment" (Gross carrying amount Rs. 38 lakhs and Accumulated depreciation of Rs. 10 lakhs) to "Investment Property". As the Company has stopped business activities from the office and leased out the premises.
- (f) The Company has pledged certain assets against borrowing limits (refer note 57 for details).
- (g) The vehicles are hypothecated against the vehicle loans. Refer note 24 for further details.
- (h) The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.

**Note 3 - Right-of-use asset [Refer note 47]**

Description	Leasehold Land	Ownership premises	Computers	(Rs. in lakhs)
				Total
<b>Gross carrying value</b>				
As at 01 April 2022	364	125	54	543
Additions	-	111	23	134
Deductions	-	122	-	122
As at 31 March 2023	364	114	77	555
Additions	<b>230</b>	-	<b>73</b>	<b>303</b>
Deductions	-	-	-	-
<b>As at 31 March 2024</b>	<b>594</b>	<b>114</b>	<b>150</b>	<b>858</b>
<b>Accumulated amortisation</b>				
As at 01 April 2022	5	48	9	62
Amortisation charge	2	29	26	57
Deductions	-	48	-	48
As at 31 March 2023	7	29	35	71
Amortisation charge	<b>12</b>	<b>38</b>	<b>31</b>	<b>81</b>
Deductions	-	-	-	-
<b>As at 31 March 2024</b>	<b>19</b>	<b>67</b>	<b>66</b>	<b>152</b>
<b>Net carrying value</b>				
As at 31 March 2023	357	85	42	484
<b>As at 31 March 2024</b>	<b>575</b>	<b>47</b>	<b>84</b>	<b>706</b>

**Notes:-**

- (a) The Company incurred Rs. 370 lakhs in the year ended 31 March 2024 (31 March 2023: Rs. 331 lakhs) towards expenses relating to short-term leases. The total cash outflow for leases is Rs. 450 lakhs for the year ended 31 March 2024 (31 March 2023: Rs. 396 lakhs), including cash outflow of short-term leases. Interest on lease liabilities is Rs. 14 lakhs for the year 31 March 2024 (31 March 2023: Rs. 15 lakhs). [Refer note 40 and note 47]

**Note 4 - Capital work-in-progress (CWIP)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Opening balance	151	706
Add : Addition during the year	2,793	1,049
Less : Capitalised during the year	(407)	(1,604)
<b>Total</b>	<b>2,537</b>	<b>151</b>

**a) CWIP ageing schedule**

Particulars	Amount in CWIP for a period of 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
	Projects in progress	2,499	38	-	
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,499</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>2,537</b>

Particulars	Amount in CWIP for a period of 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
	Projects in progress	148	3	-	
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>148</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>151</b>

**Note:** There are no projects in PPE, which are overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

## Note 5 - Investment properties

Description	(Rs. in lakhs)			
	Freehold land	Buildings	Ownership premises	Total
<b>Gross carrying value (at deemed cost)</b>				
As at 01 April 2022	49	852	82	983
Additions	-	-	-	-
Adjustments [Refer note (c) below]	18	-	12	30
Deductions	18	-	12	30
Transfer from PPE	-	663	38	701
As at 31 March 2023	13	1,516	96	1,624
Additions	-	<b>20</b>	-	<b>20</b>
Adjustments	-	-	-	-
Deductions	-	-	-	-
Transfer from PPE	<b>2</b>	<b>77</b>	-	<b>79</b>
<b>As at 31 March 2024</b>	<b>15</b>	<b>1,613</b>	<b>96</b>	<b>1,723</b>
<b>Accumulated depreciation</b>				
As at 01 April 2022	-	221	33	254
Depreciation charge	-	26	1	27
Adjustments [Refer note (c) below]	-	-	5	5
Deductions	-	-	5	5
Transfer from PPE	-	299	10	309
As at 31 March 2023	-	546	34	580
Depreciation charge	-	<b>40</b>	<b>2</b>	<b>42</b>
Adjustments	-	-	-	-
Deductions	-	-	-	-
Transfer from PPE	-	<b>17</b>	-	<b>17</b>
<b>As at 31 March 2024</b>	<b>-</b>	<b>603</b>	<b>36</b>	<b>639</b>
<b>Net carrying value</b>				
As at 31 March 2023	13	970	62	1,045
<b>As at 31 March 2024</b>	<b>15</b>	<b>1,010</b>	<b>60</b>	<b>1,085</b>

### Notes:

#### (a) Fair Value of Investment properties\*

Description	(Rs. in lakhs)			
	Freehold land	Buildings	Ownership premises	Total
As at 31 March 2023	9,035	1,457	841	11,333
<b>As at 31 March 2024</b>	<b>9,299</b>	<b>1,484</b>	<b>3,047</b>	<b>13,830</b>

\*Estimation of fair value

During the year, valuations of the Investment properties is performed by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement is based on comparable sales approach. The fair value measurement is categorised in level 3 of fair value hierarchy.



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

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

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Rental income derived from investment properties	129	126
Direct operating expenses (including repairs and maintenance) for properties generating rental income	(22)	(21)
Profit arising from investment properties before depreciation	107	105
Less: Depreciation	(42)	(27)
<b>Profit arising from investment properties</b>	<b>65</b>	<b>78</b>

**(c)** During the previous year, the Company has sold part property at Kochi (1st Floor), for a consideration of Rs. 90 lakhs having gross block of Rs. 30 lakhs and accumulated depreciation of Rs. 6 lakhs shown under head "Investment Properties".

**Note 6 - Intangible assets**

Description	(Rs. in lakhs)		
	Computer Software	E learning Module	Total
<b>Gross carrying value</b>			
As at 1 April 2022	735	11	746
Additions	5	-	5
Deductions	-	-	-
As at 31 March 2023	740	11	751
Additions	74	-	74
Deductions	61	-	61
<b>As at 31 March 2024</b>	<b>753</b>	<b>11</b>	<b>764</b>
<b>Accumulated amortisation</b>			
As at 1 April 2022	669	10	679
Amortisation charge	25	-	25
Deductions	-	-	-
As at 31 March 2023	694	10	704
Amortisation charge	51	1	52
Deductions	61	-	61
<b>As at 31 March 2024</b>	<b>684</b>	<b>11</b>	<b>695</b>
<b>Net carrying value</b>			
As at 31 March 2023	46	1	47
<b>As at 31 March 2024</b>	<b>69</b>	<b>-</b>	<b>69</b>

### Note 7 - Intangible assets under development (IAUD)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Opening balance	41	4
Add : Addition during the year	26	37
Less : Capitalised during the year	(67)	-
<b>Total</b>	<b>-</b>	<b>41</b>

Particulars	Amount in IAUD as on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Amount in IAUD as on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	37	4	-	-	41
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>37</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>41</b>

**Note:** There are no projects in IAUD, which are overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

### Note 8 - Investment (Non-current)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Investment in debt instruments</b>		
<b>Investment in quoted debentures valued at amortised cost, fully paid up</b>		
Aditya Birla Finance Limited (March 31, 2024 - 1 unit (March 31, 2023 - Nil unit) having Face value of Rs. 150 Lakhs each	151	-
Capsave Finance Private Limited (March 31, 2024 - Nil unit (March 31, 2023 - 10 units) having Face value of Rs. 10 Lakhs each	-	100
Incred Financial Services Limited (March 31, 2024 - 16 units (March 31, 2023 - 16 units) having Face value of Rs. 10 Lakhs each	169	169
<b>Total</b>	<b>320</b>	<b>269</b>
Aggregate amount of quoted investments	320	269
Market value of quoted investments (including interest accrued)	348	287
Aggregate amount of impairment in value of investments	-	-

**Note 9 - Loans (Non-current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Loan to employees (Unsecured, considered good)	-	22
<b>Total</b>	<b>-</b>	<b>22</b>

**Note 10 - Other financial assets (Non-current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Security deposit	208	177
Fixed deposits held as lien by bank against bank guarantees (Refer note 44)	465	590
<b>Total</b>	<b>673</b>	<b>767</b>

**Note 11 - Non-current income tax assets (net)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision)	1,198	1,115
<b>Total</b>	<b>1,198</b>	<b>1,115</b>

**Notes:**

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Income tax assets	7,739	5,619
Income tax liabilities	6,541	4,504
<b>Net balances</b>	<b>1,198</b>	<b>1,115</b>

## Note 12 - Deferred tax assets (net)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Deferred tax assets on account of:		
Employee benefits	337	250
Allowance for credit impairment	896	943
Section 43B Disallowance	10	-
Ind AS 116	5	-
	<b>1,248</b>	1,193
Deferred tax liabilities on account of:		
"Timing difference between book depreciation and depreciation as per Income Tax Act, 1961 "	736	727
Financial asset measured at FVTPL	74	2
	<b>810</b>	729
<b>Net deferred tax assets</b>	<b>438</b>	464

## Note 13 - Other non-current assets

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Capital advances considered good [Refer notes (a) below]	458	198
Capital advances credit impaired [Refer notes (a) below]	27	27
Less : Loss allowance	(27)	(27)
	<b>458</b>	198
Balances with government authorities considered good	1,362	1,389
Balances with government authorities credit impaired	1,021	1,053
Less : Loss allowance	(1,021)	(1,053)
	<b>1,362</b>	1,389
Prepaid expenses	57	67
<b>Total</b>	<b>1,877</b>	1,654

### Break-up:

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Other assets considered good - Secured	-	-
Other assets considered good - Unsecured	1,877	1,654
Other assets credit impaired	1,048	1,080
Other assets which have significant increase in credit risk	-	-
Loss allowance	(1,048)	(1,080)
<b>Total</b>	<b>1,877</b>	1,654

**Notes:****(a) Capital advances include:**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Land at Raipur	-	30
Land at Silvassa	27	27
Less : Provision for capital advances	(27)	(27)
Building	363	55
Plant & Machinery	92	-
Furniture And Fixtures	3	113
<b>Total</b>	<b>458</b>	<b>198</b>

**Note 14 - Inventories**

(Valued at lower of cost or net realisable value)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Raw materials, components and packing material	6,749	4,751
Work-in-progress	1,412	1,433
Finished goods *	2,885	4,095
Stock-in-trade	141	526
Stores, spares, parts, scrap etc.	643	531
Right to receive inventory	408	285
<b>Total</b>	<b>12,238</b>	<b>11,621</b>

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. 80 lakhs (31 March 2023: 126 lakhs). These write down were recognised as an expense during the year and included in the 'Changes in inventories of finished goods, work-in-progress and stock-in-trade in the Statement of Profit and Loss.

\* Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS). As according to BIS, the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The Company had filed an application with the BIS Authorities, for compounding of an alleged Offence under Section 33 of BIS Act, 2016 on 05 May 2023. The Company received an order dated 15 June 2023 allowing the Compounding application, subject to payment of compounding amount of Rs. 3,643 lakhs, under the BIS Act 2016 and BIS Rules, 2018. As the Compounding amount was unfair, arbitrary and unreasonable, the Company filed a Writ Petition in the Hon'ble Bombay High Court, since the filing of the appeal with DG was not an efficacious remedy, challenging the said compounding order, and got a stay. As the proceedings have not yet started, the pleadings are yet to begin, hence no provision has been made towards compounding amount in the books, as of 31 March 2024, since the final / exact /appropriate amount of compounding is yet to be determined.

Refer note 28 for details on Inventory pledged as security against borrowings of the Company.

**Note 15 - Investments (Current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Financial assets classified and measured at fair value through profit or loss</b>		
<b>(A) Investment in mutual funds (Unquoted)</b>		
<b>Axis Bluechip fund - growth-direct plan</b>	-	96
(31 March 2024: Nil units, 31 March 2023: 206,470.03)		
<b>Axis Strategic Bond fund - growth-direct plan</b>	176	162
(31 March 2024: 641,195.42 units, 31 March 2023: 641,195.42 units)		
<b>Birla Sunlife Low Duration fund - direct plan-growth</b>	69	102
(31 March 2024: 10,544.60 units, 31 March 2023: 16,652.44 units)		
<b>HDFC Credit Risk Debt fund - growth - direct plan</b>	175	162
(31 March 2024: 749,799.09 units, 31 March 2023: 749,799.09 units)		
<b>HDFC Short Term Debt fund - growth - direct plan</b>	144	134
(31 March 2024: 486,028.23 units, 31 March 2023: 486,028.23 units)		
<b>ICICI Prudential Medium Term Bond fund - growth - direct plan</b>	176	163
(31 March 2024: 399,964.54 units, 31 March 2023: 399,964.54 units)		
<b>ICICI Prudential Short Term fund - growth - direct plan</b>	147	136
(31 March 2024: 249,850.69 units, 31 March 2023: 249,850.69 units)		
<b>Kotak Bluechip fund -growth - direct plan</b>	190	142
(31 March 2024: 34,117.28 units, 31 March 2023: 34,117.28 units)		
<b>Kotak Medium Term fund -growth - direct plan</b>	110	101
(31 March 2024: 491,699.74 units, 31 March 2023: 491,699.74 units)		
<b>Mirae Asset Focused fund -growth - direct plan</b>	118	96
(31 March 2024: 506,294.33 units, 31 March 2023: 506,294.33 units)		
<b>Mirae Asset Large Cap fund -growth - direct plan</b>	130	103
(31 March 2024: 121,533.18 units, 31 March 2023: 121,533.18 units)		
<b>SBI Focused Equity fund -growth - direct plan</b>	130	96
(31 March 2024: 40,104.67 units, 31 March 2023: 40,104.67 units)		
<b>UTI Flexicap fund - growth - direct plan</b>	152	123
(31 March 2024: 52,881.32 units, 31 March 2023: 52,881.32 units)		
<b>Birla sunlife floating rate fund - growth - direct plan</b>	13	12
(31 March 2024: 4,048.083 units; 31 March 2023: 4,048.083 units)		
<b>Birla sunlife arbitrage fund - growth - direct plan</b>	7	6
(31 March 2024: 25,184.984 units; 31 March 2023: 25,184.984 units)		
<b>Birla sunlife arbitrage fund - growth - regular plan</b>	47	44
(31 March 2024: 191,405.590 units; 31 March 2023: 191,405.590 units)		

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>SBI Magnum low duration fund - growth plan</b>	<b>19</b>	18
(31 March 2024: 602,522 units; 31 March 2023: 602,522 units)		
<b>Bandhan Banking &amp; PSU Debt Fund - Regular Plan - Growth</b>	<b>8</b>	7
(31 March 2024: 35,493,508 units; 31 March 2023: 35,493,508 units)		
<b>Aditya Birla sunlife equity hybrid 95 fund - growth - direct plan</b>	<b>18</b>	14
(31 March 2024: 1,245,128 units; 31 March 2023: 1,245,128 units)		
<b>HDFC Corporate bond fund - growth - regular plan</b>	<b>13</b>	12
(31 March 2024: 43,871,772 units; 31 March 2023: 43,871,772 units)		
<b>Parag Parikh Flexi Cap Fund - Direct Plan</b>	<b>133</b>	-
(31 March 2024: 178,083,371 units; 31 March 2023: Nil units)		
<b>Investment in mutual funds (A)</b>	<b>1,975</b>	1,729
<b>(B) Investment in bonds (Quoted)</b>		
<b>9.60% Tourism Finance Corporation Limited Bonds_2028</b>	<b>20</b>	20
(31 March 2024: 2 units, 31 March 2023: 2 units) having Face value of Rs. 10 Lakhs each		
<b>9.65% Tourism Finance Corporation Limited Bonds_2033</b>	<b>10</b>	10
(31 March 2024: 1 unit, 31 March 2023: 1 unit) having Face value of Rs. 10 Lakhs each		
<b>Investment in bonds (B)</b>	<b>30</b>	30
<b>Total (A+B)</b>	<b>2,005</b>	1,759
Aggregate amount of investments and its market value		
Unquoted	<b>1,975</b>	1,729
Quoted	<b>30</b>	30

**Note 16 - Trade receivables**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Trade receivables	<b>16,092</b>	13,743
Receivables from related parties (Refer note 51)	<b>62</b>	32
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	<b>1,426</b>	1,426
Less : Allowance for credit impairment	<b>(2,535)</b>	(2,684)
<b>Total</b>	<b>15,045</b>	12,517

**Break-up:**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Secured, considered good [Refer note (a) below]	3,200	1,457
Unsecured, considered good [Refer note (b) below]	12,954	12,318
Unsecured, credit impaired	1,426	1,426
Less : Allowance for credit impairment	(2,535)	(2,684)
<b>Total</b>	<b>15,045</b>	<b>12,517</b>

**Break up of Impairment allowance (allowance for bad and doubtful debts)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good [Refer note (b) below]	1,109	1,258
Unsecured, credit impaired	1,426	1,426
<b>Total</b>	<b>2,535</b>	<b>2,684</b>

**Trade Receivable aging schedule as at 31 March 2024**

Particulars	(Rs. in lakhs)						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,679	6,514	470	213	863	225	14,964
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	1,061	129	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1,297	129	1,426
<b>Total</b>	<b>6,679</b>	<b>6,514</b>	<b>470</b>	<b>213</b>	<b>3,221</b>	<b>483</b>	<b>17,580</b>
Less: Allowance for credit impairment							(2,535)
						<b>Total</b>	<b>15,045</b>



## Trade Receivable aging schedule as at 31 March 2023

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6238	4,305	441	932	408	261	12,585
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	1,061	-	129	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	1,297	-	129	1,426
<b>Total</b>	<b>6,238</b>	<b>4,305</b>	<b>441</b>	<b>3,290</b>	<b>408</b>	<b>519</b>	<b>15,201</b>
Less: Allowance for credit impairment							(2684)
							<b>Total 12,517</b>

**Notes:**

- (a) Secured by letter of credit
- (b) Refer notes 54(A) for information on credit risk and details regarding past dues receivables and, movement in allowance for credit impairment.
- (c) No amount is due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member except as disclosed in note no. 51.
- (d) Refer note 28, for details on trade receivables pledged as security against the borrowings of the Company.

**Note 17 - Cash and cash equivalents**

(Rs. in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks in current accounts	175	590
Cash on hand	8	5
<b>Total</b>	<b>183</b>	<b>595</b>

### Note 18 - Bank balances other than cash and cash equivalents

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
In unpaid dividend accounts [Refer note (a) below]	91	93
Unspent corporate social responsibilities balances with banks	-	1
<b>Total</b>	<b>91</b>	<b>94</b>

#### Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2024 and 31 March 2023.

### Note 19 - Loans (Current)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Loans to employees (Unsecured, considered good)	176	38
<b>Total</b>	<b>176</b>	<b>38</b>

### Note 20 - Other financial assets (Current)

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Security deposits	64	20
Interest accrued but not due on fixed deposits	37	20
Other receivables		
(a) from related parties (Refer note 51)	-	-
(b) from others	12	10
<b>Total</b>	<b>113</b>	<b>50</b>

### Note 21 - Other current assets

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Contract assets	114	114
Advance to suppliers	875	840
Prepaid expenses	224	319
Export incentive receivable	18	20
Input tax credit receivable	1,108	242
Other receivables	4	26
Others	37	56
<b>Total</b>	<b>2,380</b>	<b>1,617</b>

**Note 22 - Asset classified as held for sale**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Leasehold land	18	18
Ownership premises	7	7
Plant and equipments (Refer note (a) below)	-	55
<b>Total</b>	<b>25</b>	<b>80</b>

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

(a) During the Current year, the Company has sold manufacturing facility of wires at Silvassa, for a consideration of Rs. 78 lakhs which has been duly approved by Board, which was reported under 'Assets classified as held for sale' in FY 2022-23.

**Item wise net carrying value as at 31 March 2024 of the Asset classified as held for sale is as follows**

Particulars	(Rs. in lakhs)			
	Gross carrying value	Impairment	Accumulated depreciation	Net carrying value
Leasehold land	18	-	-	18
Ownership Premises	12	-	5	7
<b>Total</b>	<b>30</b>	<b>-</b>	<b>5</b>	<b>25</b>

Item wise net carrying value as at 31 March 2023 of the Asset classified as held for sale is as follows:

Particulars	(Rs. in lakhs)			
	Gross carrying value	Impairment	Accumulated depreciation	Net carrying value
Leasehold land	18	-	-	18
Ownership Premises	12	-	5	7
Plant and equipments	206	146	5	55
<b>Total</b>	<b>236</b>	<b>146</b>	<b>10</b>	<b>80</b>

**Note 23 - Equity share capital**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Authorised shares</b>		
33,000,000 (31 March 2023: 33,000,000) equity shares of Rs. 10 each	3,300	3,300
<b>Issued, subscribed and fully paid-up shares</b>		
13,598,467 (31 March 2023: 13,598,467) equity shares of Rs. 10 each fully paid up	1,360	1,360
<b>Total</b>	<b>1,360</b>	<b>1,360</b>

**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 2024		As at 31 March 2023	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
<b>Equity shares</b>				
Shares outstanding at the beginning of the year	1,35,98,467	1,360	1,35,98,467	1,360
Add: Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,35,98,467</b>	<b>1,360</b>	<b>1,35,98,467</b>	<b>1,360</b>

**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 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs. 10 each				
J. B. Advani & Company Private Limited	6,800,531	50.01	6,800,531	50.01

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	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
<b>Total</b>	<b>68,00,531</b>	<b>50.01</b>	<b>68,00,531</b>	<b>50.01</b>

### Note 23e - Details of shares held by promoter and promoter's group in the Company

Name of Promoter	As at 31 March 2024					As at 31 March 2023				
	No. of shares held at the beginning of the year	Change in the no. of shares during the year (Purchase/ (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year	No. of shares held at the beginning of the year	Change in the no. of shares during the year (Purchase/ (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year
J.B Advani And Company Pvt Limited	68,00,531	-	68,00,531	50.01	0.00	68,00,531	-	68,00,531	50.01	0.00
Atuna B. Advani	2,95,480	-	2,95,480	2.17	0.00	2,95,480	-	2,95,480	2.17	0.00
Aditya T. Malkani	1,23,198	-	1,23,198	0.91	0.00	1,23,198	-	1,23,198	0.91	0.00
(Late) A. T. Mirchandani	64,430	-	64,430	0.47	0.00	64,430	-	64,430	0.47	0.00
N. Malkani Nagpal	1,99,952	-	1,99,952	1.47	0.00	1,93,952	6,000	1,99,952	1.47	3.09
Michelle Gulu Malkani	79,200	-	79,200	0.58	0.00	79,200	-	79,200	0.58	0.00
Gulshan Gulu Malkani	-	-	-	0.00	0.00	-	-	-	0.00	0.00
Rajbir Tarachand Malkani	67,417	-	67,417	0.50	0.00	64,507	2,910	67,417	0.50	4.51
Priyadarshini Lambert	49,050	-	49,050	0.36	0.00	49,050	-	49,050	0.36	0.00
Vimla A. Lalvani	19,490	-	19,490	0.14	0.00	19,490	-	19,490	0.14	0.00
Ravin A. Mirchandani	8,002	-	8,002	0.06	0.00	8,002	-	8,002	0.06	0.00
Deep A. Lalvani	4,419	-	4,419	0.03	0.00	19,419	(15,000)	4,419	0.03	-77.24
Reshma A. Lalvani	6,180	-	6,180	0.05	0.00	3,680	2,500	6,180	0.05	67.93
Shirin Aditya Malkani	19,463	-	19,463	0.14	0.00	15,873	3,590	19,463	0.14	22.62
Pravena K Mathur	1,350	-	1,350	0.01	0.00	900	450	1,350	0.01	50.00
<b>Total</b>	<b>77,38,162</b>	<b>-</b>	<b>77,38,162</b>	<b>56.90</b>	<b>0.00</b>	<b>77,37,712</b>	<b>450</b>	<b>77,38,162</b>	<b>56.90</b>	<b>0.00</b>

**Note 23f-** 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 2024.

**Note 24 - Borrowing (Non-current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Secured Term Loan from Bank		
Vehicle Loan*	60	73
<b>Total</b>	<b>60</b>	<b>73</b>

\* The Company has availed vehicle loans from Bank of Baroda at floating rate of interest based on RBI Repo rate plus Credit risk premium of 2.65%, repayable in 84 months & 64 months EMI of Rs. 1.07 lakhs & Rs 0.55 lakh respectively.

The above loan is hypothecated against the vehicles having a gross block of Rs. 125 lakhs (March 31, 2023 : 125 lakhs) and written-down value of Rs. 62 lakh as at March 31, 2024 (March 31, 2023 : 92 lakhs).

**Note 25 - Other financial liabilities (Non-current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Rent deposit	3	-
Rent deposit from related parties [Refer note 51]	23	16
<b>Total</b>	<b>26</b>	<b>16</b>

**Note 26 - Provisions (Non-current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity [Refer note 50(II)]	760	615
<b>Total</b>	<b>760</b>	<b>615</b>

**Note 27 - Other non-current liabilities**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Advance income	4	6
<b>Total</b>	<b>4</b>	<b>6</b>

**Note 28 - Borrowings (Current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Secured Borrowings</b>		
<b>From banks</b>		
Working capital loan repayable on demand [Refer note (i) below and note 57]	4,000	1,500
Current maturities of Long term borrowing - Vehicle Loan	14	13
Cash credit facility availed from bank	177	-
<b>Total</b>	<b>4,191</b>	<b>1,513</b>

**Notes:**

- (i) Nature of Security and terms of repayment for short term secured borrowings of Company:  
Working capital loan from a bank, balance outstanding amount as at 31 March 2024 is Rs. 4,000 Lakhs (31 March 2023: Rs 1,500 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 8.05% p.a. (31 March 2023: 7.86% p.a.)
- (ii) Guarantees given by banks to third parties amounting to Rs. 1,295 lakhs (31 March 2023: Rs. 1,742 lakhs) on behalf of the Company are secured against securities mentioned in (i) above. (Refer note 44)

**Note 29 - Trade payables**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Dues to micro and small enterprises [Refer notes (a) below]	877	1,051
Amounts due to micro and small enterprises - related parties	264	315
Others	5,369	5,191
Sub-total	6,510	6,557
Accrued expenses	484	747
<b>Total</b>	<b>6,994</b>	<b>7,304</b>

**Trade Payable ageing schedule as at 31 March 2024**

Particulars	(Rs. in lakhs)				
	Outstanding for following periods from date of invoice				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	1,141	-	0	-	1,141
Undisputed - Others	4,132	15	-	1,197	5,344
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	10	15	25
	5,273	15	10	1,212	6,510
Accrued expenses					484
<b>Total</b>	<b>5,273</b>	<b>15</b>	<b>10</b>	<b>1,212</b>	<b>6,994</b>

Trade Payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from date of invoice				(Rs. in lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed - MSME	1,366	-	-	-
Undisputed - Others	3,882	31	1,219	60	5,191
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	5,248	31	1,219	60	6,557
Accrued expenses					747
<b>Total</b>	<b>5,248</b>	<b>31</b>	<b>1,219</b>	<b>60</b>	<b>7,304</b>

**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:

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Principal amount due remaining unpaid to supplier as at the end of accounting year	1,141	1,366
Interest due remaining unpaid to supplier as at the end of accounting year	2	-
Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	2	-
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23	-	-

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



**Note 30 - Other financial liabilities (Current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Deposits:		
(a) Rent deposit	8	14
(b) From distributors	289	290
(c) From others	4	4
Employee benefits payable	775	553
Unclaimed dividend	91	93
Creditors for capital goods	345	163
Corporate Social Responsibility Liability	-	1
Other payables		
(a) to related parties (Refer note 51)	110	109
(b) to others*	200	123
<b>Total</b>	<b>1,822</b>	<b>1,350</b>

\*It includes retention money of contractors and payable for superannuation fund.

**Note 31 - Other current liabilities**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Advances received from distributors on behalf of customers	12	12
Advances received from customers	145	228
Statutory dues	692	568
Advance income	3	1
<b>Total</b>	<b>852</b>	<b>809</b>

**Note 32 - Provisions (Current)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity [Refer note 50(II)]	118	49
Provision for Compensated absences [Refer note 50(III)]	462	329
<b>Other provisions [Refer note (a) and (b) below]</b>		
Provision for warranties [Refer note (a) and (b) below]	197	83
Provision for sales return [Refer note (a) below]	187	199
<b>Total</b>	<b>964</b>	<b>660</b>

**Notes:**

**(a) Movement in provisions:**

Particulars	(Rs. in lakhs)	
	Provision for warranties	Provision for sales return
As at 1 April 2022	96	222
Additional provision recognised	83	199
Amount used (charged against provisions) during the year	(96)	(222)
As at 31 March 2023	83	199
<b>Additional provision recognised</b>	<b>197</b>	<b>187</b>
<b>Amount used (charged against provisions) during the year</b>	<b>(83)</b>	<b>(199)</b>
<b>As at 31 March 2024</b>	<b>197</b>	<b>187</b>

(b) Provision of Rs. 197 lakhs (31 March 2023: Rs. 83 lakhs) has been recognised for expected warranty claims on welding equipment and goods traded during the current financial year. It is expected that all these expenditures will be incurred in next financial year.

**Note 33 - Current tax liabilities, (net)**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Provision for income tax (Refer note below)	-	329
<b>Total</b>	<b>-</b>	<b>329</b>

**Note:** For the year ended March 31, 2023, Provision for Income tax Rs. 2,174 lakhs and advance tax Rs. 1,845 lakhs.

**Note 34 - Revenue from operations**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Sale of goods (Refer notes (a) below and Refer note 51)		
Domestic	75,590	69,927
Export	12,154	7,129
Sale of services	128	59
Other operating revenue:		
Sale of scraps and others	511	561
<b>Total</b>	<b>88,383</b>	<b>77,676</b>

**Notes:**

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

**Note 35 - Other income**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest income on financial asset measured at amortised cost:</b>		
(i) Fixed deposits with banks	33	35
(ii) Overdue amount from customers	71	50
(iii) Others	37	31
Realised gain on financial assets measured at fair value through profit or loss (FVTPL)	8	49
Rent received (Refer notes 48 and 51)	129	126
Duty drawback and export incentive	229	119
Profit on sale of property, plant and equipment (net)	41	11
Foreign currency fluctuation gain (net)	252	93
Provisions/ liabilities no longer required now written back	145	61
Fair value change of financial asset measured at FVTPL	284	-
Insurance claims received	20	6
Miscellaneous income	58	86
<b>Total</b>	<b>1,307</b>	<b>667</b>

**Note 36 - Cost of raw materials and components consumed**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock	4,751	3,771
Add: Purchases	56,733	52,045
Less: Closing stock	(6,749)	(4,751)
<b>Total</b>	<b>54,735</b>	<b>51,065</b>

**Note 37 - Purchase of stock-in-trade**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Welding products	2,388	1,796
Welding accessories	608	847
<b>Total</b>	<b>2,996</b>	<b>2,643</b>

**Note 38 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**

Particulars			(Rs. in lakhs)	
	Year ended 31 March 2024		Year ended 31 March 2023	
<b>At the beginning of the Year</b>				
Finished goods (including Right to receive inventory)	4,380		3,175	
Stock-in-trade	526		742	
Work-in-progress	1,433	6,339	1,026	4,943
<b>At the end of the Year</b>				
Finished goods (including Right to receive inventory)	3,293		4,380	
Stock-in-trade	141		526	
Work-in-progress	1,412	4,846	1,433	6,339
<b>Total</b>		<b>1,493</b>		<b>(1,396)</b>

**Note 39 - Employee benefits expenses**

Particulars			(Rs. in lakhs)	
	Year ended 31 March 2024		Year ended 31 March 2023	
Salaries, wages and bonus		6,057		4,730
Contribution to provident and other funds [Refer note 50(I)]		336		274
Contribution to gratuity [Refer note 50(II)]		166		103
Staff welfare expenses		704		578
<b>Total</b>		<b>7,263</b>		<b>5,685</b>

**Note 40 - Finance costs**

Particulars			(Rs. in lakhs)	
	Year ended 31 March 2024		Year ended 31 March 2023	
Interest expense on borrowings		309		166
Interest on supplies		76		54
Interest on lease liability [Refer note 47]		14		15
Interest on others		3		1
<b>Total</b>		<b>402</b>		<b>236</b>

**Note 41 - Other expenses**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Manufacturing and other expenses [Refer note 41 (a)]	5,174	4,437
Electricity expenses	23	24
Rent [Refer note 47]	370	331
Freight	2,633	2,364
Legal and professional fees	627	498
Insurance	82	92
Repairs and maintenance - others	181	174
Travelling, conveyance and vehicle expenses	772	612
Telephone, postage and telegram	184	162
Rates and taxes	115	84
Advertisement and sales promotion expenses	433	198
Commission paid	159	49
Bad debts written off (net)	36	29
Expected credit loss	194	492
Donations	1	-
Fair value change of financial asset measured at FVTPL	-	9
Property, plant and equipment written off	18	29
Printing and stationery	143	85
Auditors remuneration [Refer note 41 (b)]	49	46
Corporate social responsibility [Refer note 63]	95	63
Selling and distribution incentive	247	183
Housekeeping and security charges	265	225
Bank charges	134	144
Miscellaneous expenses	969	628
<b>Total</b>	<b>12,904</b>	<b>10,958</b>

**Note 41(a)- Manufacturing and other expenses**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores, spare parts and scraps	1,315	1170
Power and fuel	1,619	1594
Repairs to machinery	165	156
Repairs to building	157	49
Payment to contract labours	1,107	860
Other manufacturing expenses	811	608
<b>Total</b>	<b>5,174</b>	<b>4,437</b>

**Note 41(b)- Auditors' remuneration (excluding taxes)**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit fees (including limited review fees)	42	31
Tax audit fees	5	7
Certification and other matters	1	7
Reimbursement of out of pocket expenses	1	1
<b>Total</b>	<b>49</b>	<b>46</b>

**Note 42 - Tax (credit)/expense**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax</b>		
Current tax for the year	2,136	2,174
Tax pertaining to earlier years	56	(19)
	<b>2,192</b>	<b>2,155</b>
<b>Deferred tax</b>		
Change in deferred tax assets	(37)	(151)
Change in deferred tax liabilities	81	(22)
	<b>44</b>	<b>(173)</b>
<b>Total</b>	<b>2,236</b>	<b>1,982</b>

**Notes :**

(a) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit is as follows for the year ended 31 March 2024 and 31 March 2023:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before tax as per books</b>	<b>8,555</b>	7,911
Applicable income tax rate (%)	<b>25.17</b>	25.17
Estimated income tax expenses	<b>2,153</b>	1,991
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Non-deductible expenses	<b>27</b>	16
Tax on income at different tax rates	-	(6)
Tax pertaining to earlier years	<b>56</b>	(19)
<b>Reported income tax expenses</b>	<b>2,236</b>	<b>1,982</b>

(b) Deferred tax related to the following:

Particulars	(Rs. in lakhs)				
	As at 31 March 2024	Recognised through profit and loss and OCI	As at 31 March 2023	Recognised through profit and loss and OCI	As at 1 April 2022
<b>Deferred tax assets on account of:</b>					
Provision for gratuity and Leave encashment	337	87	250	48	202
Expected Credit Loss	896	(47)	943	126	817
Section 43B Disallowance	10	10	-	-	-
Ind AS 116	5	5	-	-	-
<b>Total deferred tax assets</b>	<b>1,248</b>	<b>55</b>	<b>1,193</b>	<b>174</b>	<b>1,019</b>
<b>Deferred tax liabilities on account of:</b>					
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	736	9	727	(19)	746
Financial asset measured at FVTPL	74	72	2	(3)	5
Total deferred tax liabilities	810	81	729	(22)	751
<b>Deferred tax assets/(liabilities) (net)</b>	<b>438</b>	<b>(26)</b>	<b>464</b>	<b>196</b>	<b>268</b>

#### Note 43 - Other comprehensive income

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial (loss) on defined benefit obligations	(70)	(91)
Income tax effect on above	18	23
<b>Total</b>	<b>(52)</b>	<b>(68)</b>

**Note 44 - Contingent Liabilities not provided for :**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Claims against the company not acknowledged as debt:</b>		
- Disputed sales tax as the matters are in appeal (advance paid 31 March 2024: Rs 65 lakhs; 31 March 2023: Rs 102 lakhs)	629	1,317
- Disputed excise duties as the matters are in appeal (advance paid 31 March 2024: Rs 901 lakhs; 31 March 2023:Rs 900 Lakhs)	936	922
- Disputed income tax as the matters are in appeal (advance paid 31 March 2024: Rs 13 lakhs; 31 March 2023: Rs. 13 lakhs)	157	153
- Custom Duty refund (advance paid 31 March 2024: Rs 46 lakhs; 31 March 2023: Rs. 46 lakhs)	46	46
<b>B. Guarantees :</b>		
- Bank guarantees	1,739	2,087
Bank guarantees of Rs. 1,382 lakhs (31 March 2023: Rs. 1,811 lakhs) have been issued to various customers as performance gurantee, Rs. 321 lakhs (31 March 2023: Rs. 235 lakhs) issued for securing supplies of materials and services and Rs. 36 lakhs (31 March 2023: Rs. 41 lakhs) to various agencies including government as security. The Company does not anticipate any liability on these guarantees.		
<b>C. Other money for which the company is contingently liable :</b>		
- Other matters	431	363
- Provident fund	Amount not determinable	Amount not determinable
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.		
- Inventory	3,643	Amount not determinable
Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS). As according to BIS, the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The Company had filed an application with the BIS Authorities, for compounding of an alleged Offence under Section 33 of BIS Act, 2016 on 05 May 2023. The Company received an order dated 15 June 2023 allowing the Compounding application, subject to payment of compounding amount of Rs. 3,643 lakhs, under the BIS Act 2016 and BIS Rules, 2018. As the Compounding amount was unfair, arbitrary and unreasonable, the Company filed a Writ Petition in the Hon'ble Bombay High Court, since the filing of the appeal with DG was not an efficacious remedy, challenging the said compounding order, and got a stay. As the proceedings have not yet started, the pleadings are yet to begin, hence no provision has been made towards compounding amount in the books, as of 31 March 2024, since the final / exact /appropriate amount of compounding is yet to be determined.		

Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.



**Note 45 - Estimated amount of contracts remaining to be executed**

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
On Capital account and not provided for (net of advances and CWIP)	1,297	450

**Note 46 - Borrowings secured against current assets :**

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

(Rs. in lakhs)

Quarter Ended	Name of Bank	Particulars of securities provided	FY 2023-24			FY 2022-23		
			As per books of account	Reported to Bank	Amount of difference	As per books of account	Reported to Bank	Amount of difference [Refer note (a) & (b) below]
June	Various Banks*	Working capital **	17,896	17,896	-	13,263	13,792	529
September	Various Banks*	Working capital **	18,617	18,617	-	13,244	13,159	(85)
December	Various Banks*	Working capital **	18,720	18,720	-	14,424	14,424	-
March	Various Banks*	Working capital **	20,403	20,403	-	16,944	16,944	-

\*HDFC Bank, ICICI Bank, IDFC Bank and Kotak Bank

\*\* Trade Receivables + Inventories + Unbilled Revenue/contract asset - Trade Payables

**Note for discrepancies :**

- Difference was on account of reclassification of provision of expenses in financial statement for the quarter ended June 30, 2023 amounting to Rs. 529 Lakhs.
- Difference was on account of reclassification of contract liability in financial statement for the half year ended September 30, 2023 amounting to Rs. 85 Lakhs.

#### Note 47- Leases: Ind AS 116

The Company's lease asset primarily consist of leasehold land, Ownership premises and Computers used in its operations. The Company has recognized right-of-use assets and lease liabilities amounting to Rs. 303 lakhs (31 March 2023: Rs. 134 lakhs) and Rs. 73 lakhs (31 March 2023: Rs. 134 lakhs) respectively. During the year ended March 31, 2024, the Company had recognized interest expense on lease amounting to Rs. 14 lakhs (31 March 2023: Rs. 15 lakhs) and depreciation on right-of-use assets amounting to Rs. 81 lakhs (31 March 2023: Rs. 57 lakhs). The weighted average incremental borrowing rate applied to lease liabilities is 9.5% p.a.

#### Right-of-use assets:

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

Particulars	Gross carrying value	Accumulated depreciation [Refer note (a) below]	(Rs. in lakhs)
			Net carrying value
<b>As at 31 March 2024</b>			
Leasehold Land	594	19	575
Ownership premises	114	67	47
Computers	150	66	84
<b>Total</b>	<b>858</b>	<b>152</b>	<b>706</b>
<b>As at 31 March 2023</b>			
Leasehold Land	364	7	357
Ownership premises	114	29	85
Computers	77	35	42
<b>Total</b>	<b>555</b>	<b>71</b>	<b>484</b>

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	555	543
Addition during the year [Refer notes (b) below]	303	134
Deductions during the year [Refer notes (c) below]	-	(122)
Gross carrying value	858	555
Less: Accumulated depreciation [Refer notes (a) below]	(152)	(71)
<b>Net carrying value</b>	<b>706</b>	<b>484</b>

#### Lease liabilities:

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	72	84
Current lease liabilities	78	58
<b>Total</b>	<b>150</b>	<b>142</b>

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	142	153
Addition during the year [Refer notes (b) below]	73	134
Deductions during the year	-	(102)
Finance cost accrued during the year [Refer notes (c) below]	14	15
Revaluation of lease liability	1	7
Payment of lease liabilities	(80)	(65)
<b>Total</b>	<b>150</b>	<b>142</b>

**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 2023-24 in Right-of-use assets and lease liabilities, there is addition of Rs 73 lakhs towards laptops. Further Rs. 230 lakhs towards leasehold land has been added to Right-of-use assets.
- The accrued finance cost on lease liabilities is included under "Finance cost" in the statement of Profit and Loss.

**Cash flow from leases**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Cash payments for the principal and interest portion of lease liability within financing activities	80	65
Short-term lease payments are not included in the measurement of lease liability from operating activities	370	331
<b>Total</b>	<b>450</b>	<b>396</b>

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

Particulars	(Rs. in lakhs)	
	Minimum lease payment	
	As at 31 March 2024	As at 31 March 2023
Amount due within one year	88	69
Amount due from one to five years	80	90
Amount due from five years and above	-	-
<b>Total</b>	<b>168</b>	<b>159</b>

#### Note 48- Lease rental income

The investment properties (Office premises) are leased to tenants under operating leases. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The aggregate amount of rent credited to statement of profit and loss account during the year is Rs. 129 lakhs (31 March 2023: Rs. 126 lakhs). [Refer note 35]

Particulars	(Rs. in lakhs)	
	Minimum lease payment	
	As at 31 March 2024	As at 31 March 2023
Amount due within one year	133	110
Amount due from one year to two years	130	106
Amount due from two to three years	88	104
Amount due from three to four years	57	68
Amount due from four to five years	15	41
Amount due from five years and above	53	5
<b>Total</b>	<b>476</b>	<b>434</b>

**Note 49-** With respect to the application for proposed Scheme of amalgamation (Merger by Absorption) of Ador Fontech Limited ("Transferor Company" or "ADFL") with Ador Welding Limited ("Transferee Company" or "AWL" or "Company"), the meetings of the equity shareholders of AWL and ADFL, as directed by NCLT, were held on 10 August 2023 and 30 October, 2023 respectively and the Shareholders of both the Companies approved the Scheme of Amalgamation by requisite majority. Both the Companies have thereafter completed the necessary statutory formalities and the next hearing of the amalgamation petition is scheduled to be held on 7 May 2024.

#### Note 50 - Employee benefits

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

##### Brief description of the plans:

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

##### I. Defined Contribution Plan:

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

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

Contribution to Defined contribution plan, recognized as expense for the year is as under:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Employer's Contribution to Superannuation	49	41
Employer's contribution to provident fund	282	229
Employer's Contribution to Employees state insurance fund	5	4
<b>Total</b>	<b>336</b>	<b>274</b>

\* included in Note 39- 'Employee benefits expenses'

## II. Defined Benefit Plan :

Contribution to Gratuity fund (funded scheme):

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>(i) Actuarial assumptions</b>		
Discount rate (per annum)	7.20%	7.60%
Salary escalation rate (per annum)	8.20%	8.00%
<b>Attrition rate</b>		
21 years to 44 years (per annum)	16.00%	15.00%
45 years and above (per annum)	3.00%	7.00%
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.		
<b>(ii) Assets information:</b>		
The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations.		
<b>(iii) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	723	573
Current service cost	117	69
Interest on defined benefit obligation	51	34
<b>Remeasurements during the period due to:</b>		
Actuarial loss/(gain) arising from change in financial assumptions	36	(5)
Actuarial loss/(gain) arising from change in demographic assumptions	2	5
Actuarial loss/(gain) arising on account of experience changes	31	91
Liabilities assumed/(settled)	23	
Benefits paid	(22)	(44)
<b>Present Value of obligation at the end of the year</b>	<b>961</b>	<b>723</b>

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>(iv) Changes in the Fair value of Plan Assets</b>		
Fair value of plan assets at beginning of the year	59	33
Interest on plan assets	2	-
<b>Remeasurements during the period due to:</b>		
Actual return on plan assets less interest on plan assets	1	-
Contributions by employer	39	70
Benefits paid	(18)	(44)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>83</b>	<b>59</b>
<b>(v) Assets and liabilities recognised in the balance sheet</b>		
Present value of the defined benefit obligation at the end of the year	961	723
Less: Fair value of plan assets at the end of the year	(83)	(59)
Net liability recognised	878	664
<b>Recognised under provisions [Refer note 26 and note 32]</b>		
Non current provisions	760	615
Current provisions	118	49
<b>(vi) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	117	69
Interest on net defined benefit liability	49	34
<b>Net gratuity cost recognised in current year</b>	<b>166</b>	<b>103</b>
Included in note 39 'Employee benefits expenses'		
<b>(vii) Expenses recognised in other comprehensive income</b>		
<b>Remeasurements during the period due to:</b>		
Actuarial (gain) / loss arising from change in financial assumptions	36	(5)
Actuarial loss/(gain) arising from change in demographic assumptions	2	5
Actuarial loss/(gain) arising on account of experience changes	31	91
Actuarial loss/(gain) arising on account of Actual return on plan assets less interest on plan assets	1	-
<b>Net cost recognised in other comprehensive income</b>	<b>70</b>	<b>91</b>

The average duration of the defined benefit obligation is 7 years as at March 31, 2024 (March 31, 2023 - 6.2 years). Contribution expected for next one year is Rs. 1,62,91,440 (March 31, 2023 - Rs. 50,00,000).

**(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 2024		31 March 2023	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	(3.39%)	3.54%	(3.05%)	3.19%
Impact of decrease in 50 bps on DBO	3.60%	(3.37%)	3.22%	(3.05%)

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

### (ix) Maturity Pattern:

Maturity Profile	(Rs. in lakhs)	
	31 March 2024	31 March 2023
Expected benefits for year 1	168	109
Expected benefits for year 2	68	106
Expected benefits for year 3	72	68
Expected benefits for year 4	76	75
Expected benefits for year 5	155	72
Expected benefits for year 6	82	123
Expected benefits for year 7	62	67
Expected benefits for year 8	69	52
Expected benefits for year 9	64	56
Expected benefits for year 10 and above	880	555

#### 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. 159 lakhs (31 March 2023: Rs 86 lakhs) has been recognised as an expense in the statement of profit and loss account and included in "Salaries, wages and bonus" under Note 39 "Employee benefits expenses".
- Balance sheet reconciliation

Particulars	(Rs. in lakhs)	
	Short term current provisions	
	As at 31 March 2024	As at 31 March 2023
Liability as per actuarial valuation	462	329

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

Defined Benefit obligations and employer contributions (Active members)	Gratuity	Compensated Absences
<b>As at 31 March 2024</b>	<b>655</b>	<b>655</b>
As at 31 March 2023	584	584

### Risk Exposure - Asset Volatility

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

### Note 51 - Related Party Disclosure:

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

#### (I) List of related parties and relationship:

Relationship	Name of the Persons / Company
<b>(i) Holding Company:</b>	J. B. Advani & Company Private Limited
<b>(ii) Fellow subsidiaries:</b>	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)
	3D Future Technologies Private Limited (Subsidiary of Ador Fontech Limited)
<b>(iii) Other related parties:</b>	1908 E-Ventures Private Limited (Step down subsidiary of J. B. Advani & Company Private Limited)
	Mack Valves India Private Limited (Common director)
	Ador Digatron Private Limited
	Executive Mantra Search Services Private Limited (Common director)
<b>(iv) Key management personnel:</b>	Mrs. N. Malkani Nagpal - Executive Chairman
	Mr. A. T. Malkani - Managing Director (Executive)
	Dr. D. A. Lalvani - Director (Non-executive)
	Mr. R. A. Mirchandani - Director (Non-executive)
	Ms. T. H. Advani - Director (Non-executive)
	Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)



Relationship	Name of the Persons / Company
	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. N. S. Marshall - Director (Independent & Non-executive)
	Mr. V. M. Bhide - Head - HR, Admin, IA, Legal and Company Secretary
	Mr. Surya Kant Sethia - Chief Financial Officer

**(II) Transactions during the year:**

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of Fixed assets</b>		
- Holding Company		
J. B. Advani & Company Private Limited	-	10
	-	10
<b>Purchases of Fixed assets</b>		
Ador Powertron Limited	2	1
	2	1
<b>Sale of goods</b>		
- Holding Company		
J. B. Advani & Company Private Limited	234	143
- Fellow subsidiaries		
Ador Powertron Limited*	1	-
Ador Fontech Limited	315	376
	550	519
<b>Purchase of goods and services received</b>		
- Holding Company		
J. B. Advani & Company Private Limited	2,469	2,240
- Fellow subsidiaries		
Ador Powertron Limited	3	26
Ador Fontech Limited	1,655	253
- Other related party		
1908 E-Ventures Private Limited*	-	5
	4,127	2,524
<b>Rent received</b>		
- Holding Company		
J. B. Advani & Company Private Limited	32	30
- Fellow subsidiaries		
3D Future Technologies Pvt Ltd*	1	-
Ador Fontech Limited	7	3
	40	33

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Recovery of expenses (received)</b>		
- Holding Company		
J. B. Advani & Company Private Limited	12	10
- Fellow subsidiaries		
Ador Fontech Limited	3	4
	<b>15</b>	<b>14</b>
<b>Reimbursement of expenses (paid)</b>		
- Holding Company		
J. B. Advani & Company Private Limited	11	13
- Fellow subsidiaries		
Ador Fontech Limited*	1	-
	<b>12</b>	<b>13</b>
<b>Remuneration paid</b>		
<b>Short Term Benefit paid</b>		
- Key Management Personnel		
Mrs. N. Malkani Nagpal - Executive Chairman	185	158
Mr. A. T. Malkani - Managing Director	178	147
Mr. V. M. Bhide (Head - HR, Admin, IA, Legal and Company Secretary)	56	54
Mr. Surya Kant Sethia - Chief Financial Officer	62	55
<b>Post employment benefit</b>		
- Key Management Personnel		
Mrs. N. Malkani Nagpal - Executive Chairman	38	34
Mr. A. T. Malkani - Managing Director	34	27
Mr. V. M. Bhide (Head - HR, Admin, IA, Legal & Company Secretary)	12	12
Mr. Surya kant Sethia - Chief Financial Officer	4	4
	<b>569</b>	<b>491</b>
<b>Sitting fees</b>		
- Key Management Personnel		
Mrs. Nita Dempo Mirchandani - Director (Independent & Non executive)	1	1
Mr. P. K. Gupta - Director (Independent & Non-executive)	1	2
Mr. R. N. Sapru - Director (Independent & Non-executive)	1	2
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	1	1
Mr. G. M. Lalwani - Director (Independent & Non-executive)	1	1
Mr. N. S. Marshall - Director (Independent & Non-executive)	1	1
	<b>6</b>	<b>8</b>

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Rent Deposit Received</b>		
- Holding Company		
J. B. Advani & Company Private Limited*	2	1
- Fellow subsidiaries		
Ador Fontech Limited	6	1
	8	2
<b>Dividend paid</b>		
- Holding Company		
J. B. Advani & Company Private Limited	1,190	850
	1,190	850
<b>Commission</b>		
- Key Management Personnel		
Mr. R. A. Mirchandani - Director (Non-executive)	10	10
Ms. T. H. Advani - Director (Non-executive)	10	10
Mr. P. K. Gupta - Director (Independent & Non-executive)	10	10
Mr. R. N. Sapru - Director (Independent & Non-executive)	10	10
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	10	10
Mr. G. M. Lalwani - Director (Independent & Non-executive)	10	10
Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)	10	10
Dr. D. A. Lalvani - Director (Non-executive)	10	10
Mr. A. T. Malkani - Managing Director	10	10
Mrs. N. Malkani Nagpal (Executive Chairman)	10	10
Mr. N. S. Marshall - Director (Independent & Non-executive)	10	9
	110	109

**(III) Amount outstanding at the year end:**

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Trade receivables</b>		
- Holding Company		
J. B. Advani & Company Private Limited	40	32
- Fellow subsidiaries		
Ador Fontech Limited*	22	-
	62	32

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Rent deposit payable</b>		
- Holding Company		
J. B. Advani & Company Private Limited	17	15
- Fellow subsidiaries		
Ador Fontech Limited	6	1
	<b>23</b>	16
<b>Trade payables</b>		
- Holding Company		
J. B. Advani & Company Private Limited	247	315
- Fellow subsidiaries		
Ador Fontech Limited*	17	-
	<b>264</b>	315
<b>Other payable (Commission payable)</b>		
Mr. R. A. Mirchandani - Director (Non-executive)	10	10
Ms. T. H. Advani - Director (Non-executive)	10	10
Mr. P. K. Gupta - Director (Independent & Non-executive)	10	10
Mr. R. N. Sapru - Director (Independent & Non-executive)	10	10
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	10	10
Mr. G. M. Lalwani - Director (Independent & Non-executive)	10	10
Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)	10	10
Mr. D. A. Lalvani (Whole Time Director)	10	10
Mr. A. T. Malkani - Managing Director	10	10
Mrs. N. Malkani Nagpal (Executive Chairman)	10	10
Mr. N. S. Marshall - Director (Independent & Non-executive)	10	9
	<b>110</b>	109

\* Amounts below Rs 0.50 lakh have been rounded off.

**Notes:**

- All the above transactions with related parties are net of Goods and Service Tax.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

## Note 52 - Segment reporting

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

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

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the products/ process
- (iii) The organisation structure as well as differential risks and returns of these segments.

### Types of products and services in each business segment:

Business Segment	
<b>a) Consumables</b>	Electrodes, wires, agency items related to consumables from Silvassa, Raipur and Chennai plant.
<b>b) Equipment and automation</b>	Equipment, spares, cutting products and agency items related to equipment, cutting products etc. from Chinchwad plant.
<b>c) Flares &amp; Process Equipment</b>	Flares & Process Equipment Division (FPED) is a multi-disciplined SBU that provides services like design, manufacture, erection & commissioning, mechanical, electrical and instrumentation of process packages, process equipment and flare system & components from Chinchwad plant.

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

## A) Business segment

Particulars	(Rs. in lakhs)					
	Year ended 31 March 2024			Year ended 31 March 2023		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>1. Segment revenue</b>						
Consumables	67,877	(97)	67,780	61,490	(41)	61,449
Equipment and automation	17,521	(390)	17,131	11,535	(31)	11,504
Flares & Process Equipment Division	3,472	-	3,472	4,779	(56)	4,723
<b>Total revenue</b>	<b>88,870</b>	<b>(487)</b>	<b>88,383</b>	<b>77,804</b>	<b>(128)</b>	<b>77,676</b>
<b>2. Segment result</b>						
<b>(a) Segment result before exceptional items</b>						
Consumables			10,668			8,876
Equipment and automation			802			772
Flares & Process Equipment Division			(824)			486
Unallocable			(1,767)			(1,961)
			<b>8,879</b>			<b>8,173</b>
<b>(b) Exceptional items (net) profit / (loss)</b>						
Consumables			-			(146)
Equipment and automation			-			-
Flares & Process Equipment Division			-			-
Unallocable			-			66
			-			(80)
<b>(c) Segment result after exceptional items</b>						
Consumables			10,668			8,730
Equipment and automation			802			772
Flares & Process Equipment Division			(824)			486
Unallocable			(1,767)			(1,895)
<b>Total Segment result</b>			<b>8,879</b>			<b>8,093</b>
Interest and finance charges (unallocable)			(324)			(182)
<b>Profit / (Loss) before tax</b>			<b>8,555</b>			<b>7,911</b>
Tax (expenses) / credit			(2,236)			(1,982)
<b>Net profit / (loss) after tax</b>			<b>6,319</b>			<b>5,929</b>
<b>3. Capital expenditure</b>						
Consumables			563			1,227
Equipment and automation			571			249
Flares & Process Equipment Division			288			391
Unallocated			92			116
<b>Total capital expenditure</b>			<b>1,514</b>			<b>1,983</b>

(Rs. in lakhs)

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>4. Depreciation and amortisation</b>						
Consumables			736			656
Equipment and automation			297			254
Flares & Process Equipment Division			100			69
Unallocated			209			182
<b>Total depreciation and amortisation</b>			<b>1,342</b>			<b>1,161</b>

(Rs. in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Other information</b>		
<b>Segment assets</b>		
Consumables	27,164	25,184
Equipment and automation	11,716	9,925
Flares & Process Equipment Division	6,838	4,435
Assets classified as held for sale (unallocable)	25	80
Unallocated	6,318	5,544
<b>Total assets</b>	<b>52,061</b>	<b>45,168</b>
<b>Segment liabilities</b>		
Consumables	6,053	5,375
Equipment and automation	2,286	2,677
Flares & Process Equipment Division	2,409	2,016
Unallocated	5,075	2,749
<b>Total liabilities</b>	<b>15,823</b>	<b>12,817</b>
<b>Capital employed</b>		
Consumables	21,111	19,809
Equipment and automation	9,430	7,248
Flares & Process Equipment Division	4,429	2,419
Unallocated	1,268	2,875
<b>Total capital employed</b>	<b>36,238</b>	<b>32,351</b>

## B) Geographical segment

### Revenue from external customers:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Within India	76,229	70,547
Outside India	12,154	7,129
<b>Total</b>	<b>88,383</b>	<b>77,676</b>

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:

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Within India	17,106	14,053
Outside India	70	107
<b>Total</b>	<b>17,176</b>	<b>14,160</b>

## C) Other disclosures

1. The Company is currently focused on three business segments : Consumables, Equipment and Automation, and Flares & Process Equipment Division. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
2. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
3. The geographical information considered for disclosure are :
  - (i) Sales within India
  - (ii) Sales outside India
4. No single external customer represents 10% or more of the Company's revenue from operations for the year ended 31 March 2024 and 31 March 2023.



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

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
<b>Financial Assets - Non-current</b>				
Investments	-	320	-	269
Loans	-	-	-	22
<b>Other non-current financial assets</b>	-	673	-	767
<b>Financial Assets - Current</b>				
Investments	2,005	-	1,759	-
Trade receivables	-	15,045	-	12,517
Cash and cash equivalents	-	183	-	595
Other bank balances	-	91	-	94
Loans	-	176	-	38
Other current financial assets	-	113	-	50
<b>Financial Liabilities - Non-current</b>				
Borrowings	-	60	-	73
Lease liabilities	-	72	-	84
Other non-current financial liabilities	-	26	-	16
<b>Financial Liabilities - Current</b>				
Borrowings	-	4,191	-	1,513
Lease liabilities	-	78	-	58
Trade payables	-	6,994	-	7,304
Other financial liabilities	-	1,822	-	1,350

All the above amounts are net of provisions for impairments.

**I. Fair value hierarchy**

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

- recognised and measured at fair value and,
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company 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

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

## III. Financial assets and liabilities measured at fair value (Fair value hierarchy- recurring fair value measurement):

Particulars	(Rs. in lakhs)		
	Investment in Mutual funds	Investment in Bonds	Total
<b>As at 31 March 2024</b>			
Level 1	1,975	30	2,005
<b>As at 31 March 2023</b>			
Level 1	1,729	30	1,759

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

Particulars	(Rs. in lakhs)			
	As at 31 March 2024		As at 31 March 2023	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial assets - Non-current</b>				
Investments	348	320	287	269
Loans	-	-	22	22
Other financial assets	673	673	767	767
<b>Financial Assets - Current</b>				
Trade receivables	15,045	15,045	12,517	12,517
Cash and cash equivalents	183	183	595	595
Other bank balances	91	91	94	94
Loans	176	176	38	38
Other current financial assets	113	113	50	50

Particulars	(Rs. in lakhs)			
	As at 31 March 2024		As at 31 March 2023	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial liabilities - Non-current</b>				
Borrowings	60	60	73	73
Lease liabilities	72	72	84	84
Other non-current financial liabilities	26	26	16	16
<b>Financial Liabilities - Current</b>				
Borrowings	4,191	4,191	1,513	1,513
Lease liabilities	78	78	58	58
Trade payables	6,994	6,994	7,304	7,304
Other financial liabilities	1,822	1,822	1,350	1,350

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

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. Further, the management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

#### Note 54- Financial risk management

The company is exposed primarily to credit quality, fluctuations in foreign currency exchange rates 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 to 120 days to customers based on their credit profile. 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 for credit impairment is recognised 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)					
	Not due	0-12 months	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2024</b>						
Gross Carrying amount of - trade receivables (Un-disputed)	6,679	6,984	213	863	225	14,964
Expected credit loss - trade receivables (Un-disputed)	-	69	43	772	225	1,109
Expected credit loss - trade receivables (%)	0	1	20	89	100	7
Gross Carrying amount of - trade receivables (Disputed)	-	-	-	2,358	258	2,616
Expected credit loss - trade receivables	-	-	-	1,297	129	1,426
Expected credit loss - trade receivables (%)	100	100	100	55	50	55
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>6,679</b>	<b>6,915</b>	<b>170</b>	<b>1,152</b>	<b>129</b>	<b>15,045</b>
<b>As at 31 March 2023</b>						
Gross Carrying amount of - trade receivables (Un-disputed)	6,238	4,746	932	408	261	12,585
Expected credit loss - trade receivables (Un-disputed)	-	176	599	222	261	1,258
Expected credit loss - trade receivables (%)	0	4	64	54	100	10
Gross Carrying amount of - trade receivables (Disputed)	-	-	2,358	-	258	2,616
Expected credit loss - trade receivables	-	-	1,297	-	129	1,426
Expected credit loss - trade receivables (%)	100	100	55	0	50	55
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>6,238</b>	<b>4,570</b>	<b>1,394</b>	<b>186</b>	<b>129</b>	<b>12,517</b>

## 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 2024

Particulars	(Rs. in lakhs)				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Financial Liabilities - Non-current</b>					
Borrowings	-	19	45	-	64
Lease liabilities	-	45	35	-	80
Other non-current financial liabilities	-	1	32	-	33
<b>Financial Liabilities - Current</b>					
Borrowings	4,191	-	-	-	4,191
Lease liabilities	88	-	-	-	88
Trade payables	6,994	-	-	-	6,994
Other current financial liabilities	1,822	-	-	-	1,822
<b>Total</b>	<b>13,095</b>	<b>66</b>	<b>112</b>	<b>-</b>	<b>13,273</b>

As at 31 March 2023

Particulars	(Rs. in lakhs)				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Financial Liabilities - Non-current</b>					
Borrowings	-	19	56	9	84
Lease liabilities	-	66	24	-	90
Other non-current financial liabilities	-	3	25	-	28
<b>Financial Liabilities - Current</b>					
Borrowings	1,513	-	-	-	1,513
Lease liabilities	58	-	-	-	58
Trade payables	7,304	-	-	-	7,304
Other current financial liabilities	1,350	-	-	-	1,350
<b>Total</b>	<b>10,225</b>	<b>88</b>	<b>105</b>	<b>9</b>	<b>10,428</b>

### 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 believes some of the exposures which is kept open will be offsetted by the corresponding receivables and payables (in the nature of natural hedge). For the remaining unhedged net outstanding amount, the Company believes it will not have material impact on its financial performance/position.

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 2024				
	USD	AED	KWD	EUR	Total
<b>Financial assets</b>					
Trade receivables	3,746	-	1,198	-	4,944
Bank balances	68	18	-	-	86
Total exposure to foreign currency risk (assets)	3,814	18	1,198	-	5,030
<b>Financial liabilities</b>					
Trade payables	279	-	1,198	23	1,500
Lease liabilities	-	52	-	-	52
<b>Total exposure to foreign currency risk (liabilities)</b>	<b>279</b>	<b>52</b>	<b>1,198</b>	<b>23</b>	<b>1,552</b>

Particulars	(Rs. in lakhs)				
	As at 31 March 2023				
	USD	AED	KWD	EUR	Total
<b>Financial assets</b>					
Trade receivables	1,783	-	1,198	-	2,981
Bank balances	129	14	-	-	143
Total exposure to foreign currency risk (assets)	1,912	14	1,198	-	3,124
<b>Financial liabilities</b>					
Trade payables	170	-	1,198	22	1,390
Lease liabilities	-	90	-	-	90
<b>Total exposure to foreign currency risk (liabilities)</b>	<b>170</b>	<b>90</b>	<b>1,198</b>	<b>22</b>	<b>1,480</b>

### 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:

Currencies	(Rs. in lakhs)			
	31 March 2024		31 March 2023	
	Effect on Profit before tax	Effect on Pre-tax equity	Effect on Profit before tax	Effect on Pre-tax equity
5 % appreciation	174	174	82	(82)
5 % depreciation	(174)	(174)	(82)	82

**(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 amount has been invested in creditworthy instruments and equity investment is made after considering the performance of the stock.

**Sensitivity Analysis**

Particulars	31 March 2024		31 March 2023	
	Effect on Profit before tax	Effect on Pre-tax equity	Effect on Profit before tax	Effect on Pre-tax equity
Impact on profit before tax for 5% increase in NAV/ Price	100	100	88	88
Impact on profit before tax for 5% decrease in NAV/ Price	(100)	(100)	(88)	(88)

**Note 55 - Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

**A. The capital composition is as follows:**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
(a) Net debt [Refer note (61)]	4,231	1,139
(b) Equity	36,238	32,351
(c) Gearing ratio (a/b)	0.12	0.04

**B. Dividends**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Dividend</b>		
Interim Dividend declared - Rs. 18.5 per share for each fully paid up share for 31 March 2024 (Final Dividend - 31 March 2023 - Rs. 17.5 per share for each fully paid share)	2,516	2,380

### Note 56 - Earnings per share

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net Profit after tax for the year (Rs. in lakhs)	6,319	5,929
Profit attributable to equity share holders (Rs. in lakhs)	6,319	5,929
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.)	46.46	43.60
Face Value per Share (Rs.)	10.00	10.00

### Note 57 - Assets Pledged as security:

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

Particulars	As at 31 March 2024	(Rs. in lakhs) As at 31 March 2023
<b>Current Assets</b>		
<b>Financial Assets</b>		
Investments	2,005	1,759
Trade Receivables	15,045	12,517
Cash and cash equivalents	183	595
Other bank balances	91	94
Loans	176	38
Other financial assets	113	50
<b>Non Financial Assets</b>		
Inventories	12,238	11,621
Other current assets	2,380	1,617
<b>Total Current Assets Pledged as security</b>	<b>32,231</b>	<b>28,291</b>
<b>Non Current Assets</b>		
Plant and Machinery	4,510	4,408
Land and building at Silvassa plant	1,386	1,468
Land and building at Chinchwad plant	1,725	-
Land and building at Chennai plant	-	353
Other moveable fixed assets	1,312	1,285
<b>Total Non-Current Assets Pledged as security</b>	<b>8,933</b>	<b>7,514</b>
<b>Total Assets Pledged as security</b>	<b>41,164</b>	<b>35,805</b>

**Note 58** - Revenue expenditure incurred during the year on research and development amounts to Rs. 660 lakhs (31 March 2023: Rs. 441 lakhs) (including depreciation Rs. 30 lakhs (31 March 2023: Rs. 29 lakhs) and capital expenditure thereof amounts to Rs. 109 lakhs (31 March 2023: Rs. 43 lakhs).



**Note 59**

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
- (ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

The Company is engaged in providing welding Products Technologies and Services, customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries. Trade receivables are non-interest bearing and generally on terms of 30 to 120 days.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

**a) Disaggregated revenue information**

The Company has three reportable segments of its business :

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

**The Company's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2024 and 31 March 2023 are as follows:**

Sr. No	Particulars	(Rs. in lakhs)	
		Year ended 31 March 2024	Year ended 31 March 2023
<b>1</b>	<b>Goods and services transferred at a point in time</b>		
	(i) Consumables	<b>67,780</b>	61,451
	(ii) Equipment and automation	<b>17,131</b>	11,503
<b>2</b>	<b>Goods and services transferred over time</b>		
	(iii) Flares & Process Equipment	<b>3,472</b>	4,722
	<b>Total</b>	<b>88,383</b>	<b>77,676</b>

**b) (i) Contract balances information**

Particulars	(Rs. in lakhs)		
	Trade receivables	Contract Assets (Refer note (ii) below)	Contract Liabilities (Refer note (ii) below)
Balance as at 1 April 2022	9,315	125	805
Net Increase/(decrease)	3,202	(11)	(275)
Balance as at 1 April 2023	12,517	114	530
Net Increase/(decrease)	2,528	-	(84)
<b>Balance as at 31 March 2024</b>	<b>15,045</b>	<b>114</b>	<b>446</b>

**(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. Nil lakhs (31 March 2023: Rs. 11 lakhs).
2. The significant changes in contract liabilities includes customer and distributors advance during the year decreased by Rs. 84 lakhs (31 March 2023 increased by Rs. 275 lakhs).

**(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2024 and 31 March 2023 as follows:**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	<b>88,570</b>	77,875
Adjustments:		
Sales return	<b>(187)</b>	(199)
<b>Revenue from contract with customers</b>	<b>88,383</b>	77,676

**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 2024 and 31 March 2023 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Revenue expected to be recognised	<b>12,317</b>	12,489

**Note 61- Net debt reconciliation**

Particulars	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	183	595
Borrowings	(4,251)	(1,586)
Lease liability	(150)	(142)
Interest Payable	(13)	(6)
<b>Net debt</b>	<b>(4,231)</b>	<b>(1,139)</b>

Particulars	(Rs. in lakhs)				
	Cash and cash equivalents	Borrowings	Lease liability	Interest Payable	Total
Net debt as at 1 April 2022	661	(68)	(153)	-	440
Cash flows	(66)	-	-	-	(66)
Repayment of borrowing	-	10	-	-	10
Proceeds from borrowing	-	(1,528)	-	-	(1,528)
Non cash movement : Acquisitions/ disposals/revaluation	-	-	(39)	-	(39)
Leases	-	-	50	-	50
Finance costs recognised	-	-	(15)	(226)	(241)
Finance costs paid	-	-	15	220	235
Net debt as at 1 April 2023	595	(1,586)	(142)	(6)	(1,139)
Cash flows	(412)	-	-	-	(412)
Repayment of borrowing	-	-	-	-	-
Proceeds from borrowing	-	(2,665)	-	-	(2,665)
Non cash movement : Acquisitions/ disposals/revaluation	-	-	(74)	-	(74)
Leases	-	-	66	-	66
Finance costs recognised	-	-	(14)	(402)	(416)
Finance costs paid	-	-	14	395	409
<b>Net debt as at 31 March 2024</b>	<b>183</b>	<b>(4,251)</b>	<b>(150)</b>	<b>(13)</b>	<b>(4,231)</b>

**Note 62- Exceptional items :**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>1. Impairment in the value of the wire manufacturing facility-</b>		
During the previous year, the Company had provided Rs. 146 lakhs towards impairment in the carrying value of one of the manufacturing facility of wires based on order from potential buyer and it was sold in current year	-	(146)
<b>2. Profit on sale of Property</b>		
During the previous year, the Company has sold partly property situated at Kochi and the profit on sale has been recognised as an exceptional item.	-	66
<b>Total</b>	-	(80)

**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. 94.96 lakhs as per Section 135(5). However, the Company has spent Rs. 95.18 lakhs on the activities mentioned in Schedule VII to the Companies Act, 2013. The Company had spent Rs. 0.13 lakh excess in the previous financial year and hence eligible for set off, against next financial year obligation.

**Details of CSR spent during the financial year 2023-24:**

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

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
(i) Amount required to be spent by the Company during the year	95	63
(ii) Amount of expenditure incurred	95	63
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA

(vi) Nature of amount spent during financial year 2023-24 is detailed below:-

CSR project or activity identified	Sector in which project is covered	Projects or programs	(Rs. in lakhs)
			Amount spent: direct or through implementing agency
Promoting Education	Promoting education for poor & needy	Additional salary to school teachers at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	6
Livelihood enhancement project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Supporting people affected / displaced due to Biparjoy Cyclone	1
Livelihood enhancement project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Providing financial assistance to Anganwadi Workers at Silvassa	1
Education, Women Empowerment, Skill Development & Healthcare	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Contribution made to the Trusts / NGOs through Ador Foundation	41
Promoting Education	Promoting education for poor & needy	Refurbishment of Girls Washroom at Advani Oerlikon Higher Secondary School, Birgaon, Raipur	32
Promoting Education	Promoting education for poor & needy	Education to underprivileged children	1
Promoting Education	Promoting education for poor & needy	Sponsoring education expenses of 10 tribal students	2
Promoting Education	Promoting education for poor & needy	Sponsoring annual educational expenses of 10 students. Education support consists of school fees, tuition fees, school bags and stationery	1
Livelihood Enhancement Project	Promoting Health Care Including Preventive Health Care	Contributing to the treatment of 2 underprivileged children, suffering from deadly disease	1
Promoting Education	Promoting education for poor & needy	Sponsoring annual educational expenses of 6 underprivileged girl students	1

CSR project or activity identified	Sector in which project is covered	Projects or programs	(Rs. in lakhs)
			Amount spent: direct or through implementing agency
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Working for well-being of special & disabled children	2
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Working towards supporting women who stays in slums areas like providing soft skill training & placements	2
Promoting Education	Promoting education for poor & needy	Sponsoring infrastructural development at a rural school in Satara	1
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Providing pressure cookers to the families of Anganwadi Workers	4
Livelihood Enhancement Project	Promoting Health Care Including Preventive Health Care	Extending financial assistance for providing mental health services at bare minimum / marginal cost to the low income group people	2
<b>Total</b>			<b>95</b>

**Note :**

Amount spent during the year on

Particulars	(Rs. In lakhs)	
	2023-24	2022-23
i) Construction / Acquisition of any assets	-	-
ii) Purpose other than (i) above	95	63
<b>Total</b>	<b>95</b>	<b>63</b>

(vii) Details of related party transactions:

During the current year, Company has not entered into any related party transaction with respect to CSR expenditure.

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

## Note 64- Disclosure of Ratios:

Sr. No.	Nature of Ratio	Description		As at 31 March 2024 Ratio	As at 31 March 2023 Ratio	% change from Previous year	Reason for change more than 25%:
		Nominator	Denominator				
1	Current Ratio	Current Asset	Current Liabilities	2.16	2.36	-8%	N.A.
2	Debt-Equity Ratio	Borrowings	Shareholder's Equity	0.12	0.05	139%	Increased in revenue from operations, which lead to increased in working capital financed through borrowings.
3	Debt Service Coverage Ratio	Profit After Tax (before exceptional item)+ Depreciation + Interest on borrowing	Interest on borrowings	25.79	44.08	-41%	Due to increase in interest expense there is decline in interest coverage ratio.
4	Return on Equity Ratio	Profit After Tax (before exceptional item)	Average Shareholders Equity	18%	20%	-7%	N.A.
5	Inventory turnover ratio	Cost of Goods sold	Average Inventory	4.96	5.07	-2%	N.A.
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	6.41	7.12	-10%	N.A.
7	Trade payables turnover ratio	Credit purchases	Average trade payables	9.45	8.17	16%	N.A.
8	Net capital turnover ratio	Revenue from operations	Working Capital	5.09	4.75	7%	N.A.
9	Net profit ratio	Profit After Tax (before exceptional item)	Revenue from Operations	7%	8%	-7%	N.A.
10	Return on Capital employed	Earning Before Interest and Tax(before exceptional item)	Capital employed (Net worth + Total debt )	22%	24%	-9%	N.A.
11	Return on investment	Return on investment	Average investment	13%	2%	573%	Overall market performance has been better in FY 2023-24 as compared to FY 2022-23 which has yielded higher returns.

**Note 65** - The Company has registered all charges or satisfaction with Registrar of Companies during current year and previous year.

**Note 66** - During the current year and previous year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note 67** - The Board has declared/approved an interim dividend for the financial year 2023-24 @ Rs18.5 per share, i.e. 185% of the face value of Rs.10 each.

**Note 68** - The Company evaluated subsequent events from the balance sheet date to 30 April 2024, the date at which the financial statement were available to be issued and determined that there are no item to report.

**Note 69** - The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company as part of its internal review pursuant to MCA notification on audit trail commenced reviewing audit trail and its related requirements prior to commencement of current financial year. During the year, the Company was assured by its accounting software provider that its accounting software is compliant with MCA notification on audit trail, which was further substantiated by related documentation shared by the accounting software provider. However, to ensure compliance, the Company commenced its internal review and identified that audit trail (edit logs) were getting purged after 30 days. Accordingly, the Company immediately took corrective action with effect from June 2024 and related audit trail (edit logs) were retained after 24 June 2023.

#### **Note 70**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.
- v) The Company is not declared wilful defaulter by any bank or financial institution or other lender during the year.
- vi) The Company does not have any loan or advance in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
  - (a) repayable on demand; or
  - (b) without specifying the any terms or period of repayment.



**Note 71** - Amounts below Rs 0.50 lakh have been rounded off.

**Note 72** - The figures of the previous years have been regrouped / rearranged wherever necessary. The impact of restatements/ regroupings in the previous year figures are not material to Financial Statements.

For **Walker Chandiook & Co LLP**

**Chartered Accountants**

**Firm Registration No:** 001076N/N500013

Khushroo B. Panthaky

**Partner**

**Membership No.** 042423

**Place :** Mumbai

**Date :** 30 April 2024

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

Vinayak M. Bhide  
**Head - HR, Admin, IA,  
Legal and Company  
Secretary**

Surya kant Sethia  
**Chief Financial Officer**

Aditya T. Malkani  
**Managing Director**  
**DIN :** 01585637

N. Malkani Nagpal  
**Executive Chairman**  
**DIN :** 00031985

**Place :** Mumbai

**Date :** 30 April 2024



# WELDING TRAINING DIVISION OF ADOR

In the fiscal year 2023-24, Ador Welding Training Division has achieved significant milestones, solidifying its position in welding education and certification. Key achievements include accreditation by the International Institute of Welding, as an Approved Training Body, enabling the division to offer the prestigious International Welders Diploma.

Strategic collaborations were formed, such as an MoU with the Hindalco School of Excellence for enhancing trainer skills and standardizing trainee certification. The division supported Industrial Training Institutes (ITIs) with free, industry-demand-based welding training, enhancing student placement opportunities. Training was provided across various sectors

including metals, automotive, construction, and energy. A notable CSR initiative with Enpro Industries saw the successful training of 20 candidates, contributing to community development.

Additionally, specialized training programs were conducted for Bhutan Hydropower Services Limited. Overall, 892 candidates were trained through various modes, including in-house, onsite, and online training, facilitating their international work opportunities. This year marked a landmark for Ador Welding Training Division with its commitment to high standards and impactful training programs, thanks to the support of partners, trainees, and stakeholders.





## ADOR WELDING LIMITED

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