

LIFE ENHANCEMENT OF INDUSTRIAL COMPONENTS

43RD ANNUAL REPORT 2017-18



ADOR FONTECH LIMITED IS A
FRONTRUNNER ORGANISATION
THAT OPERATES ON THE PHILOSOPHY
OF 'PARTNERING' WITH ITS CLIENTS IN
RECOMMENDING AND IMPLEMENTING
VALUE-ADDED RECLAMATION, FUSION,
SURFACING, SPRAYING AND
ENVIRONMENTAL SOLUTIONS.

OUR **VISION** IS TO BE CONSIDERED
AS THE PARTNER OF FIRST CHOICE
BY OUR CUSTOMERS.

OUR **MISSION** IS TO PARTNER WITH
OUR CUSTOMERS IN IMPLEMENTING
VALUE-ADDED RECLAMATION, FUSION,
SURFACING, SPRAYING AND
ENVIRONMENTAL SOLUTIONS.

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

Mr. A T Malkani	Chairman
Mr. H P Ledwani	Managing Director
Mrs. N Malkani Nagpal	Promoter Director
Mr. N S Marshall	Independent Director
Mr. Santosh Janakiram	Independent Director
Mr. Rafique Abdul Malik	Independent Director

COMPANY SECRETARY

Ms. Geetha D

MANAGEMENT TEAM

Mr. A T Malkani	Mr. Rajesh V Joshi
Mr. H P Ledwani	Mr. S V Puntambekar
Mr. Deep A Lalvani	Mr. P Gopa Kumar
Mr. P Viswanathan	Mr. S S Mohiuddin
Mr. Melville Ferns	Mr. Palgun Vembar
Mr. R Krishna Kumar	

COMPLIANCE OFFICER

Mr. Gagandeep Singh

REGISTERED AND CORPORATE OFFICE

Ador Fontech Limited
CIN: L31909KA1974PLC020010
Belview 7 Haudin Road Bengaluru 560 042
T (080) 2559 6045 / 73 F (080) 2559 7085
E investorservice@adorfon.com www.adorfon.com

GOODS AND SERVICES TAX REGISTRATIONS

Bengaluru 29AABCA1724H1ZY
Nagpur 27AABCA1724H1Z2
Gurgaon 06AABCA1724H2Z5

MANUFACTURING UNITS

Manufacturing Plant I
486 B-1 14th Cross 3rd Main 4th Phase Peenya
Industrial Estate Bengaluru 560 058

Manufacturing Plant II
A-288 6th Main 2nd Stage Peenya Industrial Estate
Bengaluru 560 058

Reclamation Centre
S-60-61 MIDC Hingna Industrial Estate Nagpur 440 016

SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
CIN: U74900TN2015PTC101466
30 Ramana Residency 4th Cross Sampige Road
Malleswaram Bengaluru 560 003
T (080) 2346 0815 – 818 F (080) 2346 0819
E irg@integratedindia.in

AUDITORS

M/s. Srinivas and Subbalakshmi
Chartered Accountants
Firm Registration No. 011350S
237 Second Cross Cambridge Layout Halasuru
Bengaluru 560 008

BANKERS

HDFC Bank Limited
8/24 Salco Centre Richmond Road Bengaluru 560 025

Syndicate Bank
Industrial Finance Branch Manipal Centre
Dickenson Road Bengaluru 560 042

BOARD OF DIRECTORS



Mr. A T Malkani
Chairman



Mr. H P Ledwani
Managing
Director



Mrs. N Malkani Nagpal
Promoter
Director



Mr. N S Marshall
Independent
Director



Mr. Santosh Janakiram
Independent
Director



Mr. Rafique Abdul Malik
Independent
Director

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Five years at a glance

Notice is hereby given that the **43rd Annual General Meeting** (AGM) of the Members of the Company will be held at Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001 on Thursday, August 2, 2018 at 11.30 hours to transact the following business:

ORDINARY BUSINESS

1. Adoption of accounts

To consider and adopt the audited financial statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. Declaration of dividend

To declare dividend of Rs. 3/- (Rupees three only) per equity share for the financial year ended March 31, 2018.

3. Re-appointment of Mrs. N Malkani Nagpal as 'Director'

To appoint a Director in place of Mrs. N Malkani Nagpal (DIN 00031985), who retires by rotation and being eligible, offers herself for re-appointment.

4. Ratify the appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to Section(s) 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Srinivas and Subbalakshmi, Chartered Accountants, Bengaluru (Firm Registration No. 011350S) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting of the Company to examine and audit the accounts upto the financial year 2021-22 at a remuneration, as may be mutually agreed upon between the Board of Directors and the Auditors.

Resolved further that the Board of Directors of the Company (including any Committee thereof) and/or the Company Secretary be and are hereby severally authorised to do all such acts as may be considered necessary, proper or expedient to give effect to this resolution.

SPECIAL BUSINESS

5. Appointment of Branch Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to Section(s) 139, 143 and other applicable provisions of the Companies Act, 2013 read with rules made there under, the accounts for the year ending March 31, 2019 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 141 of the Companies Act, 2013 and that the Board of Directors be and is hereby authorised to appoint such Branch/Unit Auditors in consultation with the Company's Auditors and to fix their remuneration as also the terms and conditions of their appointment.

6. Cost Auditors and their remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of M/s. Rao, Murthy and Associates (Firm registration no. 000065) at a remuneration of rupees one lakh and twenty five thousand plus applicable taxes thereon, be and is hereby approved and ratified for conducting Cost Audit of the Company for the financial year 2018-19.

7. Service of documents to Members

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as 'the Act'), consent of the Company be and is hereby accorded to the Board of Directors to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address or by such electronic or other mode prescribed under the Act and as may be desired by the Member(s), from time to time.

Resolved further that upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in that particular mode.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such acts as may be deemed necessary, proper or expedient to give effect to this resolution.

NOTES

- A Member entitled to attend and vote at the Annual General Meeting (the 'meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. A person can act as proxy on behalf of a maximum of 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy, for any other person or shareholder.
- Corporate members intending to send their authorised representatives to attend are requested to send a certified copy of the Board resolution to the Company or upload it on the e-Voting portal, authorising their representative to attend and vote on their behalf at the meeting.
- Instrument appointing proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
- Statement pursuant to Section 102 of the Companies Act, 2013 and explanations relating to business to be transacted at the meeting are annexed hereto.
- Register of Members and Share Transfer Books will remain closed from July 27, 2018 to August 2, 2018 (both days inclusive). Eligibility for dividend will be reckoned as on July 26, 2018; if declared at the Annual General Meeting.
- Members are requested to note that dividend(s) not claimed within seven years from the due date are required to be transferred to the Investor Education and Protection Fund. As such, Shareholders who have not

encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years.

- In terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of dividends on the website of the Company 'www.adorfon.com' to enable Shareholders to check for their unclaimed dividend(s), if any.
- Amount of unclaimed dividend as at March 31, 2018 for the years 2010-11 to 2016-17 aggregate to Rs.113 lakhs (previous year Rs.108 lakhs).
- Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF). The Company has also written to the concerned Shareholder(s) intimating them, their particulars of equity shares due for transfer. These details are also available on the Company's website 'www.adorfon.com'. Shareholders are requested to claim dividend on these equity shares at the earliest to avoid transfer of the aforesaid shares. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. However, upon transfer, the Shareholders will be able to claim these equity shares from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in.
- Member(s) whose shareholding is/are in electronic mode are requested to direct change of address and update details of bank account with their respective Depository Participant(s).
- Member(s) are requested to send all share transfer lodgements (physical mode) to Integrated Registry Management Services Private Limited, marking on the envelope-Unit-Ador Fontech Limited.

- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
- Copies of Annual Report 2017-18 including Notice to the 43rd Annual General Meeting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company, unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses or if e-mail sent bounces back, physical copies of the Annual Report are being sent by the permitted mode.
- Members may also note that the Notice to the 43rd Annual General Meeting and Annual Report 2017-18 will be available on the Company's website 'www.adorfon.com'. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days.
- The Company has provided e-Voting as an option. E-Voting will commence from July 30, 2018 at 9:00 hours and end on August 1, 2018 at 17:00 hours. Instructions for the same have been made available as part of addendum to this Annual Report. Further, voting rights will be reckoned on the paid-up value of shares registered in the name of the Member(s) as on July 26, 2018. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 26, 2018 may obtain Login Id & Password by sending a request to NSDL - evoting@nsdl.co.in.
- All documents referred to, in the Annual Report will be available for inspection at the Company's Registered Office during normal business hours on all working days up to the date of the AGM.

DETAILS AND EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Mrs. N Malkani Nagpal retires at the ensuing AGM as per the provisions of Section 152 of the Companies Act, 2013 and is eligible for re-appointment. She has furnished her director identification number as 00031985 and has made a declaration that she is not disqualified to become a Director.

The Board recommends the resolution set out at item no. 3 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution except Mrs. N Malkani Nagpal, as it pertains to her appointment.
- (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- (c) Other than relatives of the person mentioned in the sub clause (a) above, comprising Mrs. Gulshan Gulu Malkani and Ms. Michelle Gulu Malkani (holding shares in Ador Fontech Limited) none of the relative(s) of KMP and other Director(s), is/are concerned or interested in the resolution.

Item No. 4

In terms of the Companies Amendment Act, Ministry of Corporate Affairs notification dated May 7, 2018; the proviso of year on year ratification of appointment of Statutory Auditors has been omitted. However, the terms of resolution passed at the 42nd AGM had provided for the same and hence the Company has subjected the resolution for consent of the Members. On approval, the Statutory Auditors shall hold office up to the conclusion of the 47th AGM to be held in 2022.

The Board recommends the resolution set out at item no. 4 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution.
- (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- (c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

Item No. 5

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 143(8) read with Section 141 of the Companies Act, 2013 and such other regulations/ notifications, to audit the accounts, for the year ending March 31, 2019 and fix their remuneration.

The Board recommends the resolution set out at item no. 5 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution.
- (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- (c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

Item no. 6

Keeping in line the best practices of Corporate Governance, the Board has appointed M/s. Rao, Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2018-19 and finalised their remuneration. The same is placed for ratification of the Members.

The Board recommends the resolution set out at item no. 6 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution.

(b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.

(c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

Item No. 7

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same by post or by registered post or by speed post or by courier or by delivering it at his/her/their office or residential address, or by such electronic or other mode as may be prescribed. However, the proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she/they shall pay such fees as may be determined by the Company at its Annual General Meeting (AGM).

Further, listed companies are required to send financial statements:

- (a) By electronic mode to such Members whose shareholding is in demat form and whose email are registered with the depository for communication purposes.
- (b) Where shareholding is held otherwise than by demat form, to such Members who have positively consented in writing for receiving by electronic mode and
- (c) By dispatch of physical copies through any recognised mode of delivery as specified under Section 20 of the Act, in all other cases.

The Board recommends the resolution set out at item no. 7 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution.
- (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- (c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

ADDITIONAL INFORMATION

General

NATURE OF INDUSTRY: Life enhancement of industrial components / Repairs and refurbishment (Genesis – Welding and allied applications).

DATE OF COMMENCEMENT OF

COMMERCIAL PRODUCTION: The Company was incorporated on August 22, 1974 and commercial production is on-going, both in Peenya and Nagpur factories.

FINANCIAL PERFORMANCE BASED

ON GIVEN INDICATORS: Detailed financial statements (including notes to the accounts) and comparative data analysis forms part of the Annual Report.

Others

REASONS FOR LOSS OR INADEQUATE PROFITS: Stagflation in external business environment, particularly in respect of repair welding segment.

STEPS TAKEN OR PROPOSED TO BE TAKEN FOR

IMPROVEMENT: The Company is endeavouring to align resources and lower overheads.

EXPECTED INCREASE IN PRODUCTIVITY AND

PROFITS IN MEASURABLE TERMS: The Company endeavours to enhance sales and profits in tranches reckoned on the basis of economic and industrial growth.

PECUNIARY RELATIONSHIP DIRECTLY OR

INDIRECTLY WITH THE COMPANY OR

RELATIONSHIP WITH MANAGERIAL PERSONNEL,

IF ANY: Mr. A T Malkani and Mrs. N Malkani Nagpal belong to the promoter group – J B Advani and Company Private Limited. They hold interest to the extent of

- (i) Shareholding of self and their family members (Details made available as part of the shareholding pattern).
- (ii) Salary to Mr. A T Malkani as per the terms of