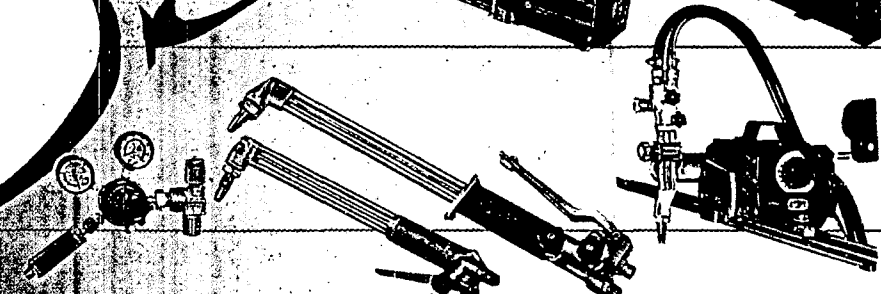
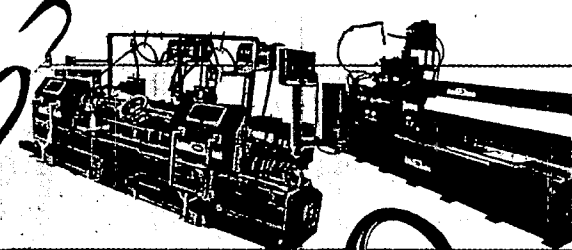
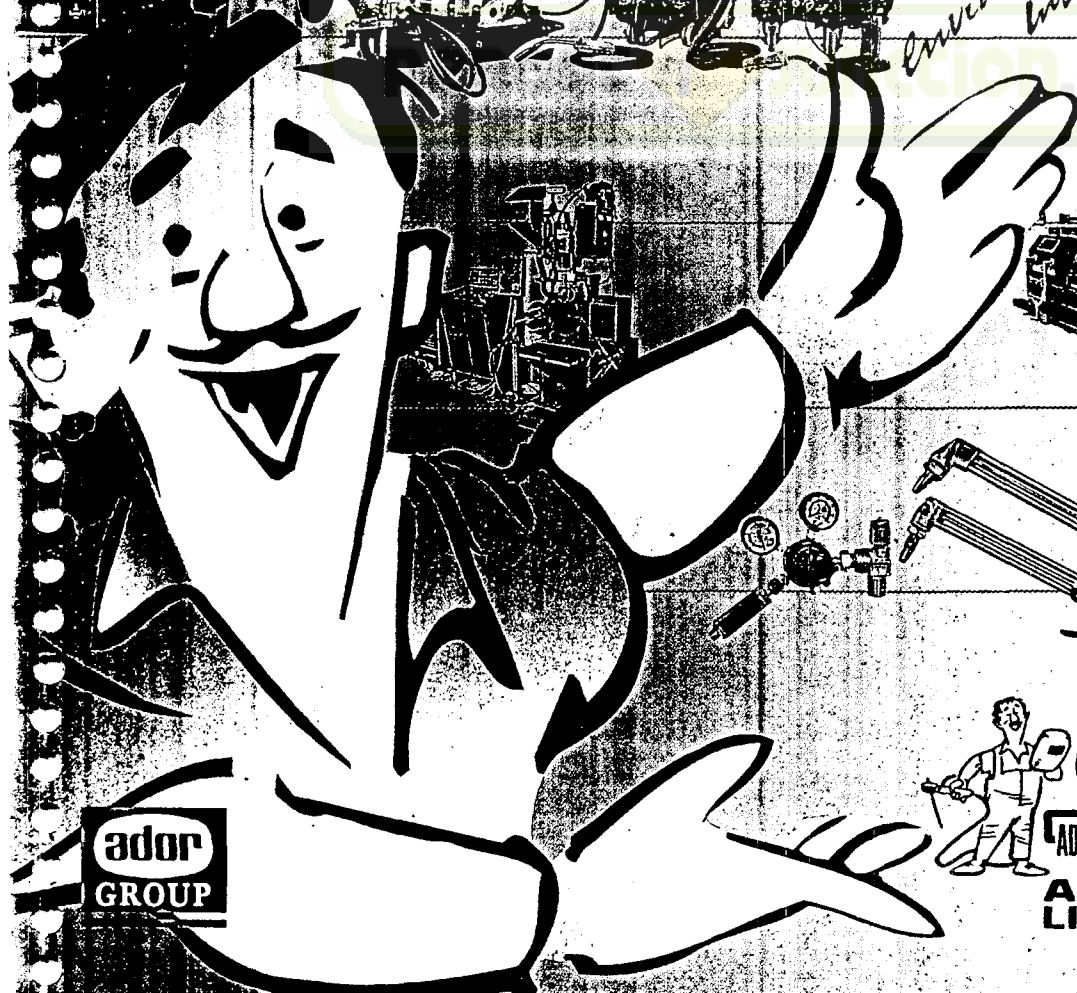
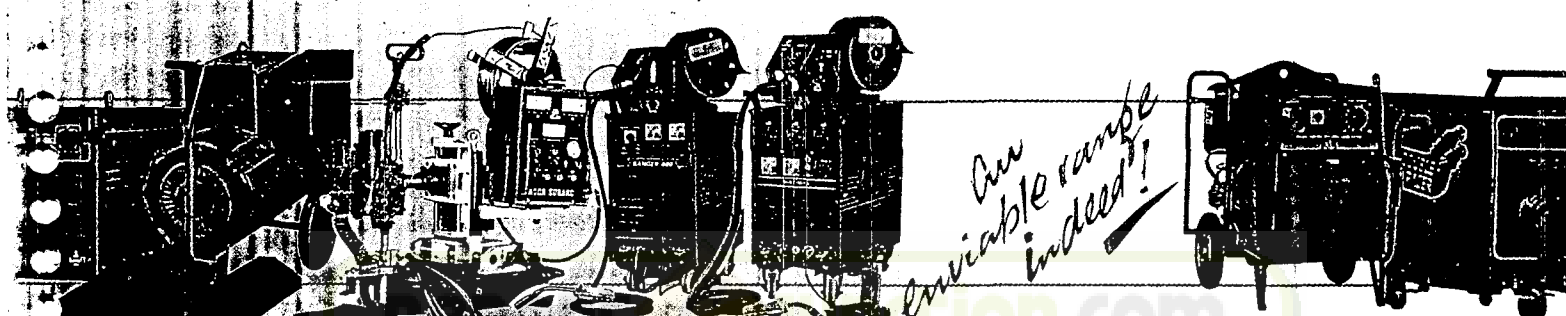


MD	✓		BKC	✓
CS	✓		DPY	1/5
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

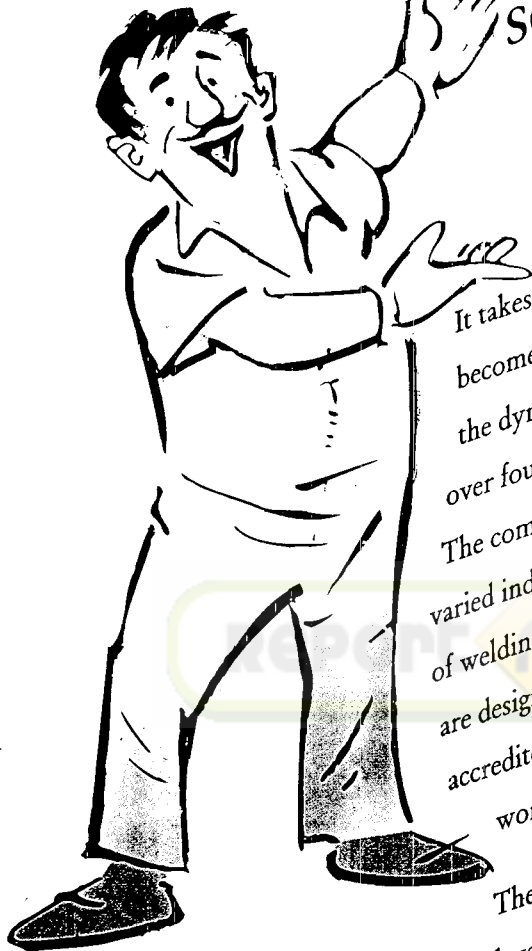
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**ador
GROUP**


**ADVANI-OERLIKON
LIMITED**

THE EXPANDING STOREHOUSE FOR WELDING SOLUTIONS...



It takes enterprise, innovation and excellence not only to become a leader but even to maintain leadership. At Advani-Oerlikon, the dynamic exercise of remaining at the top of India's welding industry for over four decades, has been as much rewarding as it has been demanding. The company's resolute focus on the customer, fulfilling and satisfying his varied industry needs over the years, has today resulted in a formidable armada of welding consumables, equipment and integrated systems. While most of them are designed and manufactured at the Company's seven ISO 9000 Series accredited plants spread across the country, others are sourced from world leaders for highly specialised applications.

The company is viewed today, both at the national and international level, as a single point source for welding solutions not only in terms of hardware but also in terms of the fund of experience, collated data, knowledge and skills that the company holds in reserve. While the scope for welding widens, Advani-Oerlikon summons its best resources to innovate, update and give shape to new technologies and ideas, with each passing year. The result is Advani-Oerlikon's continuously expanding storehouse providing the country's best answers to today's welding needs.



CORPORATE EXCELLENCE RECOGNITIONS

Market Leader in the Welding Industry - approximate market share of 35% in the organised Sector.

The largest exporter of welding consumables and equipment from India.

The Dalal Street Investment Journal of 31st March, 1997 Master Ranked the company at 184 in the list of top 200 companies.

Economic Times - 500 (1997 issue) ranked the company (among Manufacturing Companies) under three categories:
Turnover Toppers : Rank 315
Biggest Earners : Rank 222
Value Creators : Rank 205

Credit Rating by CARE (Credit Analysis and Research Limited) with a Rating of "CARE AA" which indicates "High Quality Instrument by all the Standards", for its Non-Convertible Debenture Issue of Rs.10 crore on Private Placement basis.

Credit Rating by CARE (Credit Analysis and Research Limited) with a Rating of "AA+" (FD) which indicates "Adequate Degree of Safety" for its Fixed Deposit Mobilisation Programme.

ISO 9000 Standard Certifications for all (seven) Manufacturing Plants and Central Marketing Office (including International Business Division).

Business World Issue of 8 - 21 January '97 ranked the company at 96 out of 324 companies for industry group / market orientation / company to work for / profitability / community and environment responsibility / quality of personnel / innovations / quality of products and services / composite overall.

The Institute of Chartered Financial Analysts of India, on giving the Analysts Award for top-notch Indian Companies in terms of Investor Rewarding Companies for the period 1991-96, positioned Advani-Oerlikon as the second prize-winner in Category II (medium-sized companies) in December 1996.

FE 1100 January 1997 Issue ranked the Company at 271 among India's top 1100 companies based on market capitalisation as at March 29, 1996.

INQUIRE (Indian Equity Research Division of Motilal Oswal Securities Limited—one of the Securities Research Companies in India) ranked the company, in June 1996, at 20 among the 100 Wealth Creators in the Corporate Sector with a substantially high ROE (Return on Equity) and ROCE (Return on Capital Employed).



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OUR ROLE IN CORPORATE CITIZENSHIP

ADVANI-OERLIKON HIGHER SECONDARY SCHOOL Raipur (M.P.)

Founded in 1982 by Advani-Oerlikon's late Managing Director, Mr. I. T. Mirchandani, this Higher Secondary School today fulfills the educational requirements of 963 boys and 813 girls between Standards VI and XII. Fully equipped with an auditorium, laboratory, library and gym/PT room, the school, with a 9000 sq. ft. built-up area, is situated in a sprawling 17-acre plot of land acquired earlier in 1980 by Advani-Oerlikon. While the entire complex has, since 1992, been handed over to the Government, all capital expenditure need of the school is being met by Advani-Oerlikon. Mr. A.T. Mirchandani, Advani-Oerlikon's present Managing Director, has recently instituted two scholarship awards of Rs. 5000/- to each of the students topping the list in the IX and XI standards.

HEALTH CARE CENTRE

Situated in Ramnagar, Pune, Advani-Oerlikon's Health Care Centre is a totally free service to the economically weaker sections of society. The Centre is attended by a senior consultant doctor, a lady doctor, and a compounder for four hours a day, six days a week and offers free first aid, diagnosis, guidance and preventive medicines for general illnesses to as many as 2,500 to 3,000 people a month. The centre has a special focus on gynaecology and child care and organises periodic campaigns on the subject of family well-being.

PRIYADARSHINI PARK

As one of the sponsors of Priyadarshini park located at Napean Sea Road, Mumbai, Advani-Oerlikon participated in creating excellent sports facilities that the youth is entitled to. The park has an extensive, well-laid out ground for track events besides multiple tennis courts.

NON-GOVERNMENT ORGANISATIONS

Advani-Oerlikon has been sensitive to deserving causes in public life. Its endeavour, over the years, to support basic issues such as Medical Relief, Health Care & Education, besides being generously supportive in times of natural calamities, has instilled in the company, a sense of moral purpose and obligation towards the community at large. Advani-Oerlikon has, from time to time, made worthy contributions to Pune-based organisations such as Educational Institutions, Blind Men's Association, Lokmanya Hospital and Queen Mary's Technical Institute etc. Support has also been extended by the company to the handicapped and leprosy care units besides financial contributions having been made to the victims of the Latur earthquake and to the Andhra Pradesh Chief Minister's Flood Relief Fund and so on.

Advani-Oerlikon's industry leadership imposes excellence and responsibility at all levels, down to the employee and the community as well. The company believes that their welfare is an integral part of its responsibilities and seeks opportunities to fulfill important social obligations in areas of education, health and sports. As a collective extension of what a good citizen should be, Advani-Oerlikon lives up to the image of good citizenship in the corporate world.





ADVANI-OERLIKON LTD.

Regd. Office: Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 023.

Dated 11.6.1997

Dear Shareholder,

Sub: Depository System for dealing with Shares

It has been our endeavour to extend better services with consistent improvements and provide additional facility to the shareholders. Keeping this as our objective, the Company has decided to participate in the Depository System.

We are pleased to inform you that the Company has signed a Tri-partite Agreement with National Securities Depository Ltd. (NSDL) and MCS Ltd., (Registrars for Depository System) for admitting the Company's shares under the Depository System.

The Depository System for shares is similar to the functions of the bank whereby cash can be converted into entries in the pass book and re-converted back to cash by withdrawals at any time and at the option of the investor. This can be done by Dematerialisation (DEMAT) and Rematerialisation (REMAT) of shares. **Dematerialisation** is a process by which physical certificates held by an investor are taken back by the Company/Registrar and the same is converted in equivalent number of Shares/Securities which are credited in the form of electronic holding of the investor through the Depository Participant (DP). **Rematerialisation** on the other hand is converting electronic entries of shares again to physical share certificates.

You must be aware that the Depository System is immensely finding acceptance among the Companies and Shareholders for various benefits, some of which are elucidated below:

1. Eliminates Signature differences of transferor and mistakes in the Transfer Deeds.
2. Eliminates bad deliveries/objections.
3. Eliminates fake certificates.
4. Effects transfer of shares immediately resulting in early settlement and pay-out.
5. Eliminates delays in postal transit & prevents loss/fraudulent interception of certificates in transit.
6. Eliminates processing time taken by the Company in effecting transfers.
7. Saves cost towards Stamp Duty of 0.5% payable on the market value of the shares.

The detailed procedure for dematerialisation is given overleaf. Though you may be required to liaise only with your Depository Participant (DP) for demat and remat requests, if you seek any further information or clarifications you may contact at the following address: MCS Ltd., 'Sri Venkatesh Bhavan', Plot No. 27, Road No. 11, M.I.D.C. Area, Andheri (East), Mumbai 400 093. Tel: 821 5235, Fax No: 8350456.

Thanking you.

Yours sincerely,

For ADVANI-OERLIKON LTD.

A.S. KHANDWALA
Company Secretary

Steps for Converting the shares to computerised entries (dematerialisation of shares)

1. Before joining the Depository System it is necessary that the concerned shares are held in the name of the investor. If you have got the market delivery of the shares, you have to send the same for the purpose of transfer as in the normal course and after you get the shares transferred in your name, you can request for dematerialisation of shares.
2. You have to approach a Depository Participant (DP) of your choice and open an account just like we open an account with the bank. With the opening of the account you will get an identification number called "Clients ID Number" which serves as a reference for all your future dealings.
3. After you have been allotted the Client's ID Number you can hand over your share certificates after duly cancelling or defacing the certificates by writing 'Certificate for dematerialisation' and hand it over to the DP along with the 'Form for Dematerialisation' (DRF).
- *4. Upon receipt of the DRF along with the original share certificate/s, the DP will send an electronic request to MCS Ltd., through NSDL for confirmation of demat and simultaneously they will forward your DRF and share certificates, accompanied by a standard letter, to MCS Ltd. for demat confirmation.
- *5. As soon as MCS Ltd. receives the DRF and your share certificates, the same will be forwarded to Ador Finance Ltd. (Company's Share Transfer Agents) for necessary verification and for confirming their acceptance of shares for dematerialisation.
- *6. NSDL will then confirm the demat to your DP.
7. The DP will credit your account with the number of shares dematerialised and thereafter you would hold your shares in the electronic form.
8. Your DP will give you statement of holding or a pass book, just like a bank account.

In respect of shares held in the electronic form, all future issue of Rights, Bonus Shares would be directly allotted in depository mode. However, the dividend will continue to be disbursed as per the present procedure i.e. sending the dividend warrants directly to your address.

You have also the option of re-converting your shares held in electronic mode to physical share certificates by requesting your DP for a **rematerialisation** and on such request and on payment of suitable charges, the Company will issue new share certificates in respect of aforesaid shares.

Please note that at present this facility is not available for purchase and sale of shares on **Repatriation Basis** by Non-Resident Indians, in view of the restrictions under FERA, 1973 and RBI Regulations.

* (procedural steps not concerning the shareholders).



NOTICE ANNUAL GENERAL MEETING

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DATE :
THURSDAY, 24th JULY, 1997.

TIME :
11.00 A.M.

VENUE :
GEN. JAGANNATH BHOSALE MARG,
Y. B. CHAVAN CENTRE,
NEXT TO MANTRALAYA GYMKHANA,
MUMBAI-400 021.



NOTICE

To,
The Members,
ADVANI-OERLIKON LIMITED

NOTICE IS HEREBY GIVEN THAT THE **FORTY-FOURTH ANNUAL GENERAL MEETING** OF THE SHAREHOLDERS OF ADVANI-OERLIKON LTD. WILL BE HELD AT **Y.B. CHAVAN CENTRE**, GENERAL JAGANNATH BHOSALE MARG, NEXT TO MANTRALAYA GYMKHANA, MUMBAI 400 021, ON **THURSDAY, THE 24TH DAY OF JULY, 1997, AT 11.00 A.M.** TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account of the Company for the year ended on that date together with the Report of Directors' and the Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. M. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To appoint a Director in place of Ms. Reshma A. Lalvani, who was appointed as Director of the Company, by the Board of Directors to fill the casual vacancy caused on the Board, due to the death of Mr. A. D. Lalvani and who holds office, pursuant to Section 262 of the Companies Act, 1956 and Article 106 of the Articles of Association, until the date of this Annual General Meeting, but is eligible for re-appointment and in respect of whom Notice has been received in writing, pursuant to Section 257 of the Companies Act, 1956, alongwith a deposit of Rs. 500/- from a member proposing her candidature as Director of the Company.

6. 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 228 and other applicable provisions of the Companies Act, 1956, the accounts for the financial year ending 31.03.1998 of the Branch/Area Offices and Plants of the Company, be audited by Company's Auditors or such person or persons other than the Company's Auditors and as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and that the Board of Directors, be and is hereby authorised to decide and appoint such Branch Auditors in consultation with the Company's Auditors and fix their remuneration and terms and conditions."

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

"RESOLVED that the mortgage and charge created by the Board of Directors in terms of Section 293 (1) (a) of the Companies Act, 1956, by extending the first *pari-passu* mortgage on the Company's immovable properties situated at Chinchwad, Raipur and Madras, both present and future and hypothecation of moveable properties of the Company in favour of Industrial Development Bank of India (IDBI) to secure the Guarantee given for an amount of Swiss Francs 2755194 (includes interest & other charges) equivalent to Rs. 772 lacs payable to 'Oerlikon Welding Ltd.', Switzerland, on Deferred Payment terms, together with interest at agreed rates, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable in terms of Guarantee Agreement/Hypothecation Agreement/Sanction Letter, be and is hereby ratified and confirmed."

"RESOLVED FURTHER that the authority exercised by the Board of Directors in agreeing with IDBI in terms of the Guarantee Agreement/ Hypothecation Agreement/Sanction Letter, including to reserve the right to take over the business and concern of the Company and possession of the assets of the Company situated at Chinchwad, Raipur and Chennai in certain events of default, be and is hereby ratified and confirmed."





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

"RESOLVED that the consent of the Company, be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of the immovable and/or movable properties of the Company wheresoever situate, both present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events, to or in favour of Industrial Development Bank of India (IDBI) to secure the Rupee Term Loan of Rs. 14.50 Crores (Rupees Fourteen crores, fifty lacs only), together with interest thereon at the respective agreed rates, compound interest, additional interest, premia on pre-payment or on redemption, costs, commitment charges, expenses and any other monies payable in terms of the Loan Agreement/Hypothecation Agreement/Sanction Letter relating to the aforesaid term loan."

"RESOLVED FURTHER that the Board of Directors of the Company, be and is hereby authorised to finalise and execute, the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be altered in the following manner :-

a) **DEFINATION**

Add the following paras to existing Article 2

"Depository shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996 or any statutory modification or re enactment thereof."

"Beneficial owners shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996."

b) **SHARES**

Delete the existing clauses of Article 14 and insert the following new clause in its place and stead:-

(14) Save as herein otherwise provided, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest on such share on the part of any other person whether or not it shall have express or implied notice thereof.

c) **CERTIFICATES**

Add a new para v to Article 16:-

v) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares and other securities pursuant to the Depositories Act, 1996, and offer its shares and other securities for subscription in dematerialised form. In such case the Company shall make allotment of shares and securities to the Depository and no certificates will be issued. In case of any request for rematerialisation of shares, the company will be entitled to charge suitable amount from the members.

d) **TRANSFER & TRANSMISSION**

i. Add a new Article 40 A after Article 40 :-

(40A) No instrument of transfer would be required and the provisions of Section 108 of the Act will not apply if transfer of shares is effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.

ii. Delete the existing clauses of Article 41 and insert the following new clause in its place and stead :-

(41) The shares shall be freely transferable, subject to the provisions of Section 111 and 111 A of the Act."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution :-**



"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the Company in the General Meeting do authorise payment of Commission to Mr. A. T. Mirchandani, Managing Director of the Company of an amount not exceeding at the rate of one percent of the net profits of the Company, computed in the manner laid down under Sections 198, 349 & 350 of the Companies Act, 1956, in each financial year with effect from financial year 1997-98 till his balance tenure and that such commission be decided by the Board of Directors and on such basis, as they may in their absolute discretion decide."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to make any variation in the terms of remuneration of Mr. A. T. Mirchandani and execute a Supplemental Agreement and/or make any modification thereto and do all things, acts and deeds as may be necessary or expedient in this matter."

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 7th July, 1997 to Thursday, the 24th July, 1997 (both days inclusive).
If the dividend as recommended by the Directors is declared at the ensuing Annual General Meeting, payment of such dividend will be made to those shareholders whose names appear in the Register of Members of the Company as on 24th July, 1997.
Bonus Shares issued during the year will be entitled for *pro-rata* dividend from their respective date of allotment i.e. 7th November, 1996.
- d) As per provisions of Section 205 A of the Companies Act, 1956, the unclaimed dividend amounting to Rs. 1,63,612/- (Rupees One lac, Sixty Three Thousand, Six Hundred Twelve only), relating to financial year 1992-93 has been transferred to the 'General Revenue Account' of the Central Government. Any shareholder who wishes to claim dividend relating to the said financial year or earlier years is advised to submit his application in Form No. II to the Registrar of Companies, Maharashtra, Bombay Cotton Mills Compound, 2nd Flr, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033.
- e) Unclaimed dividends for the financial year 1993-94 will also be deposited with the said authority as required by law. Members are therefore, advised to expeditiously put up their claim, if any, for dividend for the said year with the Company.
- f) Members are requested to :
 - i) Write to the Company atleast 7 days before the date of meeting, in case they desire any information as regards the audited accounts for the financial year ended 31st March, 1997, so as to enable the Company to keep the information ready.
 - ii) Bring their copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
 - iii) Intimate to the Share Transfer Agents immediately, of any change in their addresses.
 - iv) Quote registered folio numbers in all correspondence.
 - v) Approach the Share Transfer Agents for consolidation of folios.
 - vi) Furnish their bank account details to prevent fraudulent encashment of dividend warrants.
 - vii) Send all share transfer lodgement, correspondence to the **Share Transfer Agents** of the Company located at the following address :-

Ador Finance Limited (Unit A.O.L.)
(Share Registry Division)
C/o. J. B. A. Printing Inks Ltd.
3rd Floor, Main Building,
L.B.S. Marg, Bhandup,
Mumbai - 400 078.
Tel. No. : 564 1471/72
Fax : 564 4351

Place : Mumbai
Dated 11th June, 1997.

Registered Office:
Ador House,
6, K. Dubash Marg, Fort,
Mumbai 400 023.

By Order of the Board
A. S. Khandwala
Company Secretary

