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46th annual report 1998-99

PIONEER AND LEADER THROUGH MULTIFACETED KNOWLEDGE IN WELDING

- WELDING TECHNOLOGY
- WELDING PROCESSES
- STANDARDS
- WELDING APPLICATIONS
- INCREASE IN PRODUCTIVITY
- WELDING PRODUCTS ONE-ROOF COMPATIBILITY
- MARKET SPREAD NATIONAL & INTERNATIONAL
- WELDING IN THE NEXT MILLENNIUM
- HUMAN RESOURCE POOL IN WELDING
- INDUSTRY SPECIALISATION

CONSULTANCY

WELDING EDUCATION & TRAINING

RESEARCH & DEVELOPMENT

ADVANI-OERLIKON

ADVANI-OERLIKON LIMITED

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ADVANI-OERLIKON

from comprehension to accomplishment

While at the base of all knowledge is the printed word, there is no prescribed route it can take in the shaping of a leader. It is the process of assimilation and meaningful interpretation in a given context, that paves the way to accomplishment and leadership. At Advani-Oerlikon, all parameters of leadership stem from years of accumulated knowledge — right from technology processes and skills to application orientation, quality standards and market dynamics. Every welding electrode, equipment and system that rolls out of the plant is a product that has been shaped not by the printed word alone but by its assimilation and meaningful interpretation. In today's world, keeping abreast of modern trends calls for keenness in information sourcing and the faculty to reorient, restructure and adapt to changing conditions. Advani-Oerlikon's leadership in welding for over forty-seven years is proof of its insatiable thirst for knowledge and its faculty to route the printed word from accomplishment to accomplishment.

Welding Technology : continuous upgradation and sourcing.

Welding Processes : updated knowledge on various processes and methods of welding for best results.

Standards : benchmarking the best in the world through ISO certification and International Approvals.

Welding Applications : Procedures, Qualifications and Records (PQRs) facilitate feasibility studies and orientation towards specific applications.

Increase in Productivity : custom designing and manufacturing activities related to welding process automation and products that aid welding productivity.

Welding Products : One-Roof Compatibility -- manufacturing of welding consumables, power sources, automation systems, all under one-roof.

Marketing– National & International : widespread network with the capability to serve customers with total requirements in welding.

Welding in the Next Millennium : laying the foundation for new generation products to meet exacting demands.

Human Resource Pool in Welding : the best in the industry with specialists drawn from various fields.

Industry Specialisation : customisation to serve specialised needs of core industries.

Consultancy : solutions based on experience and technology know-how.

Welding Education & Training : three centres for dissemination of knowledge and hands-on training.

Research & Development : two R & D centres for exploring new materials and processes for enhancing quality and productivity.

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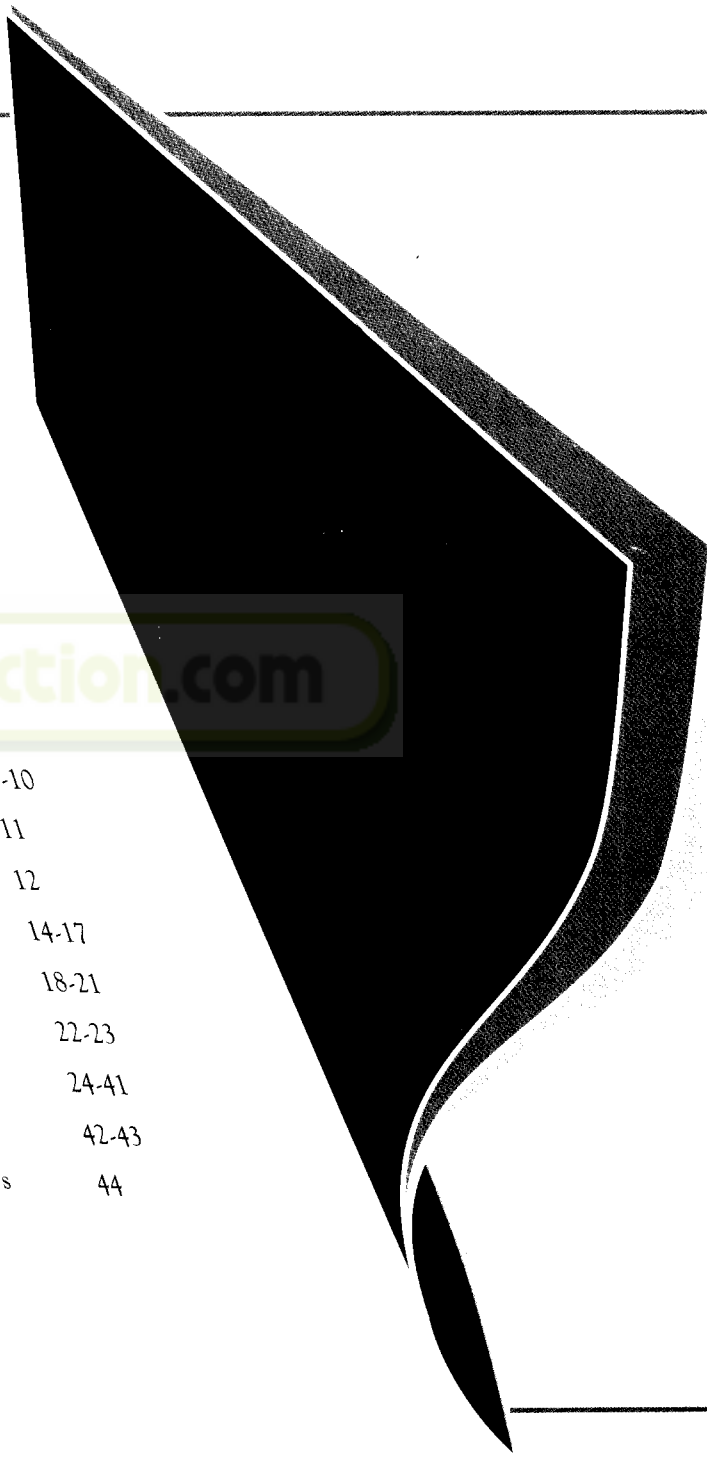

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Board of Directors

Ms. Aruna B. Advani
Chairman & Whole-time Director

Mr. A. T. Mirchandani
Managing Director

Mr. S. M. Shroff
Director

Mrs. R. T. Malkani
Director

Ms. R. A. Lalvani
Director

Mrs. N. Malkani Nagpal
Director

Mr. Mauro Vacchi
Director

Mr. C. C. Welter
Alternate Director
to Mr. Mauro Vacchi

Corporate Management Team

Mr. M. T. Sheth
Mr. V. G. Kutty
Mr. V. D. Mansukhani
Mr. C. S. Sirdeshpandey
Mr. C. Venugopal
Mr. Raman Kumar
Mr. A. Parasuram
Mr. M. P. Dhanuka
Mr. C. Achuthan
Mr. P. K. Supali

Company Secretary
Mr. A. S. Khandwala

Registered & Corporate Office
Ador House,
6, K. Dubash Marg,
Fort, Mumbai-400 023.
Tel.: 284 2525, 284 4027
Fax: 287 3083

E-mail : aol.ho@ador.sprintrpg.ems.vsnl.net.in
Website : http://www.advanioerlikon.com

Bankers
State Bank of India
Bank of Baroda

Registrar & Share Transfer Agent
ADOR FINANCE LIMITED
(Share Registry Division)
Ador House, 5th Floor,
6, K. Dubash Marg,
Mumbai-400 023.
Tel.: 284 2525, 284 4027
Fax: 282 8023

Auditors
Dalal & Shah,
Mumbai

Solicitors
Nanu Hormasjee & Co.,
Mumbai

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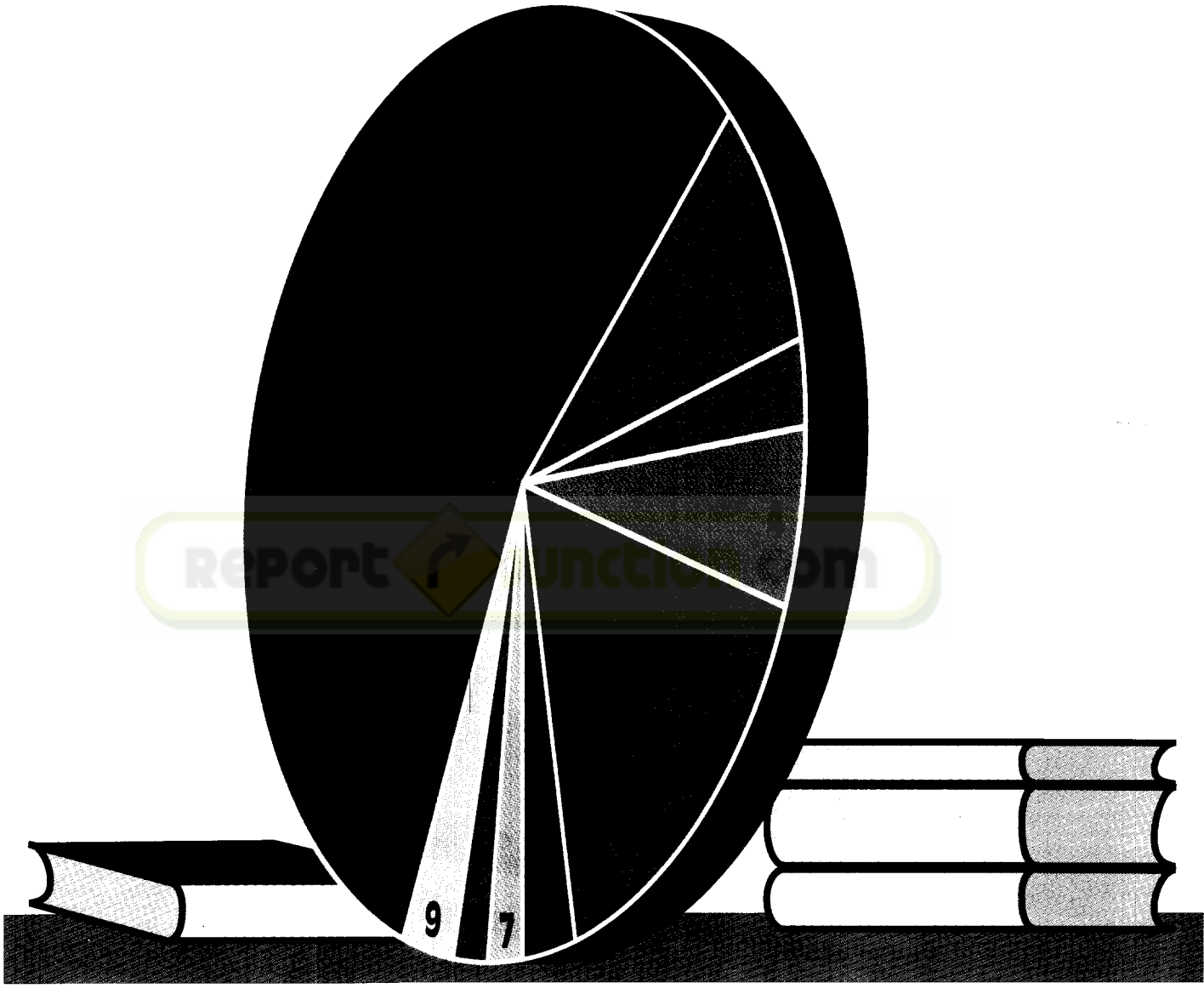
Distribution of Revenue

(Rs. in lacs)



1. Cost of Goods Sold 11779 (56%)
2. Employee Expenses 1796 (9%)
3. Interest & Finance Charges 764 (3%)
4. Manufacturing Expenses 1339 (6%)
5. Administration / Selling Expenses 3340 (16%)
6. Depreciation 755 (3%)
7. Tax 360 (2%)
8. Dividend + Tax 439 (2%)
9. Retained Profit 584 (3%)

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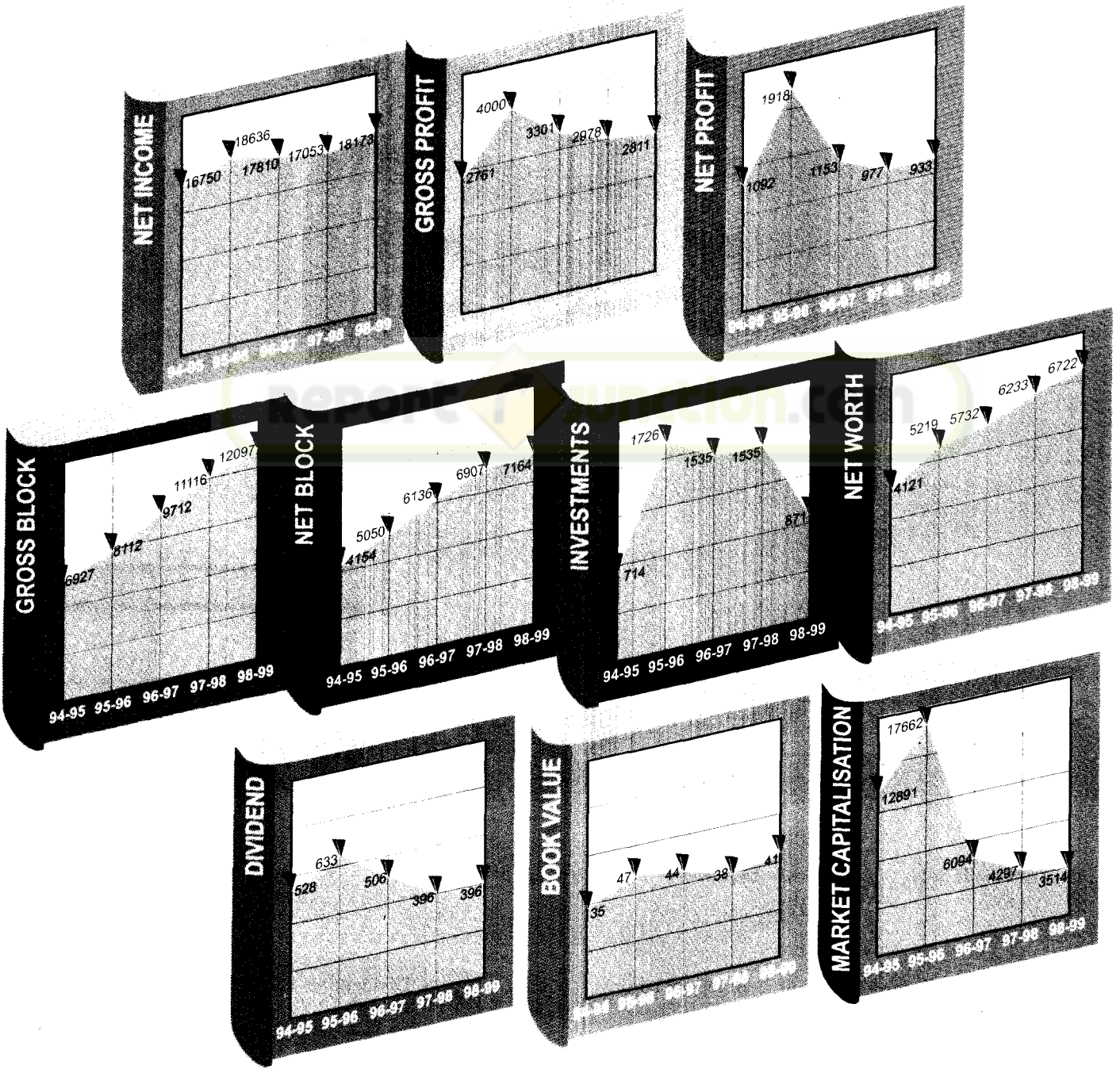
Performance at a Glance

(Rs. in lacs)



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Financial Ratios

YEARS	1994-95	1995-96	1996-97	1997-98	1998-99
ROI (%)	19.47	26.21	13.18	11.18	11.21
SALES / CAPITAL EMPLOYED RATIO (TIMES)	2.95	2.50	1.99	1.91	2.13
PROFIT / SALES (%)	6.61	10.47	6.61	5.87	5.27
WORKING CAPITAL TURNOVER RATIO (TIMES)	7.67	7.88	7.45	7.21	9.26
INVENTORY / TURNOVER RATIO (TIMES)	10.67	8.63	11.22	10.36	10.32
DEBTORS' / TURNOVER RATIO (NO. OF DAYS)	14	14	17	36	37
CURRENT RATIO (TIMES)	2.01	1.79	1.78	1.92	1.66
DEBT EQUITY RATIO (TIMES)	0.51	0.47	0.59	0.45	0.28
EPS (Rs.)	10.35	18.18	9.12	6.17	5.89

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Funds Flow

(Rs. in lacs)

SOURCES OF FUNDS

1. INTERNAL GENERATION					
PROFIT AFTER TAXES	1086	1907	1071	939	928
DEPRECIATION	399	288	515	632	724
SUB TOTAL	1485	2195	1586	1571	1652
2. SHARE CAPITAL	132	2	528	0.00	0.00
3. RESERVES & SURPLUS	362	(178)	(529)	(3)	0.00
4. BORROWINGS (NET)	206	983	524	243	(1294)
TOTAL	2185	3002	2109	1811	358

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UTILISATION OF FUNDS

1. FIXED ASSETS	1033	1184	1600	1403	981
2. INVESTMENTS	380	1012	(191)	0.00	(664)
3. WORKING CAPITAL	244	173	144	(27)	(398)
4. DIVIDEND	528	633	556	435	439
TOTAL	2185	3002	2109	1811	358

Note : Figures in brackets are negative

Number of Shareholders & Employees

DESCRIPTION	31.3.95	31.3.96	31.3.97	31.3.98	31.3.99
1. NUMBER OF SHAREHOLDERS	18189	17500	17300	18500	20340
2. NUMBER OF EMPLOYEES	1224	1114	1113	1081	1110

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Regulatory & Revenue Compliances

CORPORATE REGULATORY COMPLIANCES	**COMPLIANCES STATUS**
● SEBI guidelines	All procedural requirements for the financial year 1998-99 duly complied.
● Listing agreement	
● Companies Act, 1956	
● Shares listed at the following stock exchanges : • BSE • NSE • Ahmedabad • Madras	Listing fees paid till date.
STATUTORY REVENUE COMPLIANCES	
● Income Tax	Returns filed on due dates and taxes paid based on self assessment for the financial year 1998-99.
● Wealth Tax	
● Sales Tax	
● Professional Tax	Amounts deposited with concerned authorities / funds and Returns filed for the financial year 1998-99.
● Provident Fund	
● Family Pension Fund	
● Gratuity	
● Superannuation	
● ESI Contribution	

Contribution to The Exchequer

	(Rs. in lacs)
● Excise Duty	2893
● Sales Tax	1291
● Income Tax	482
● Wealth Tax	4
● Dividend Tax	40
● Entry Tax, Octroi, Service Tax etc.	35
TOTAL CONTRIBUTION	4745

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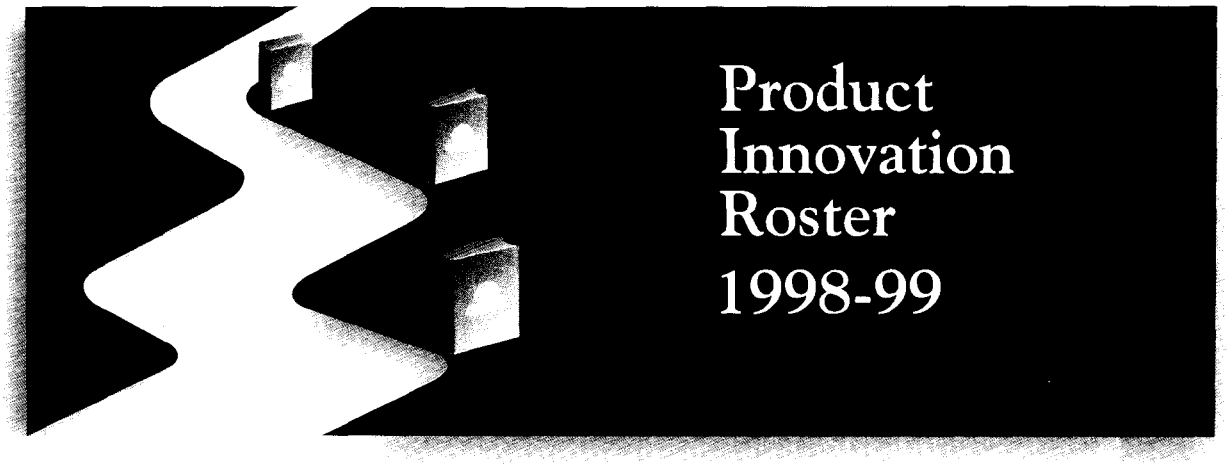
Milestones



In today's world of rapidly changing technologies, new materials and stringent application parameters, ADVANI-OERLIKON LTD. keeps abreast of welding requirements through its capability to innovate and its urge to excel. Each year, new and upgraded products emerge as a result of intensive efforts of the company's two R&D Centres. Besides raising industry standards, AOL strives for full customer satisfaction through better product performance levels.

CONSUMABLES

Celwel 60
Celwel 70 G
First time in India, cellulosic coated electrodes yielding 100% radiographic weld quality for pipeline welding.

E Bond
BlueMax
Economic range of MSGP electrode for every welding workshop with the AOL guarantee of performance.

Magnum E 6013
All position electrode with exceptional quality in vertical down position. Ideal for pipelines and storage tanks.

CONTINUOUS WELDING CONSUMABLES

Automelt A61
Outstanding breakthrough for India, the SAW "flux-wire" combination is ideal for high-speed, single pass welding of pipelines.

Automelt S33
SAW "flux-wire" combination for critical stainless steel welding applications.

CUSTOMISED CONSUMABLES

Supercito H4R
E7018 H4R
New generation vacuum-packed, moisture-resistant, hydrogen-controlled electrode. Eliminates expensive storage and redrying.

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