



46<sup>th</sup>

annual report 1998-99

**PIONEER AND  
LEADER THROUGH  
MULTIFACETED  
KNOWLEDGE  
IN WELDING**



CONSULTANCY

WELDING  
EDUCATION  
& TRAINING

RESEARCH &  
DEVELOPMENT

**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**



**ADVANI-OERLIKON**

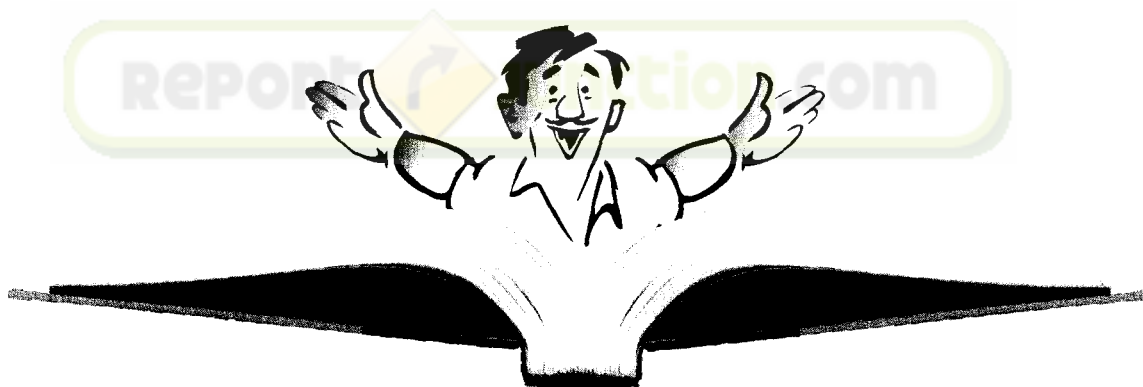
**ADVANI-OERLIKON  
LIMITED**





## 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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**ADVANI-OERLIKON LIMITED**

# 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.sprintpg.ams.vsnl.net.in  
Website : <http://www.advaniorlikon.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

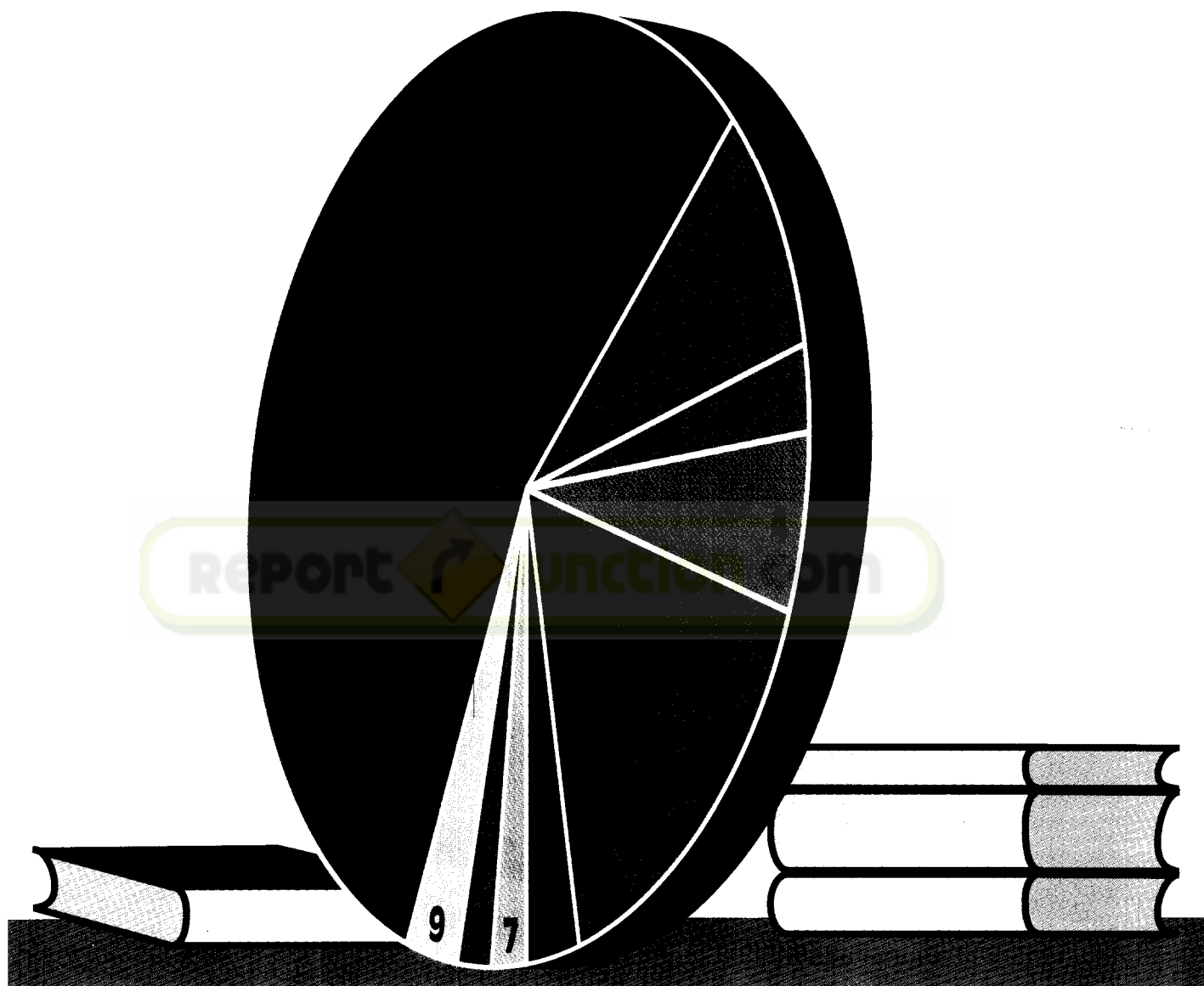
## Solicitors

Nanu Hormasjee & Co.,

Mumbai

# 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%)

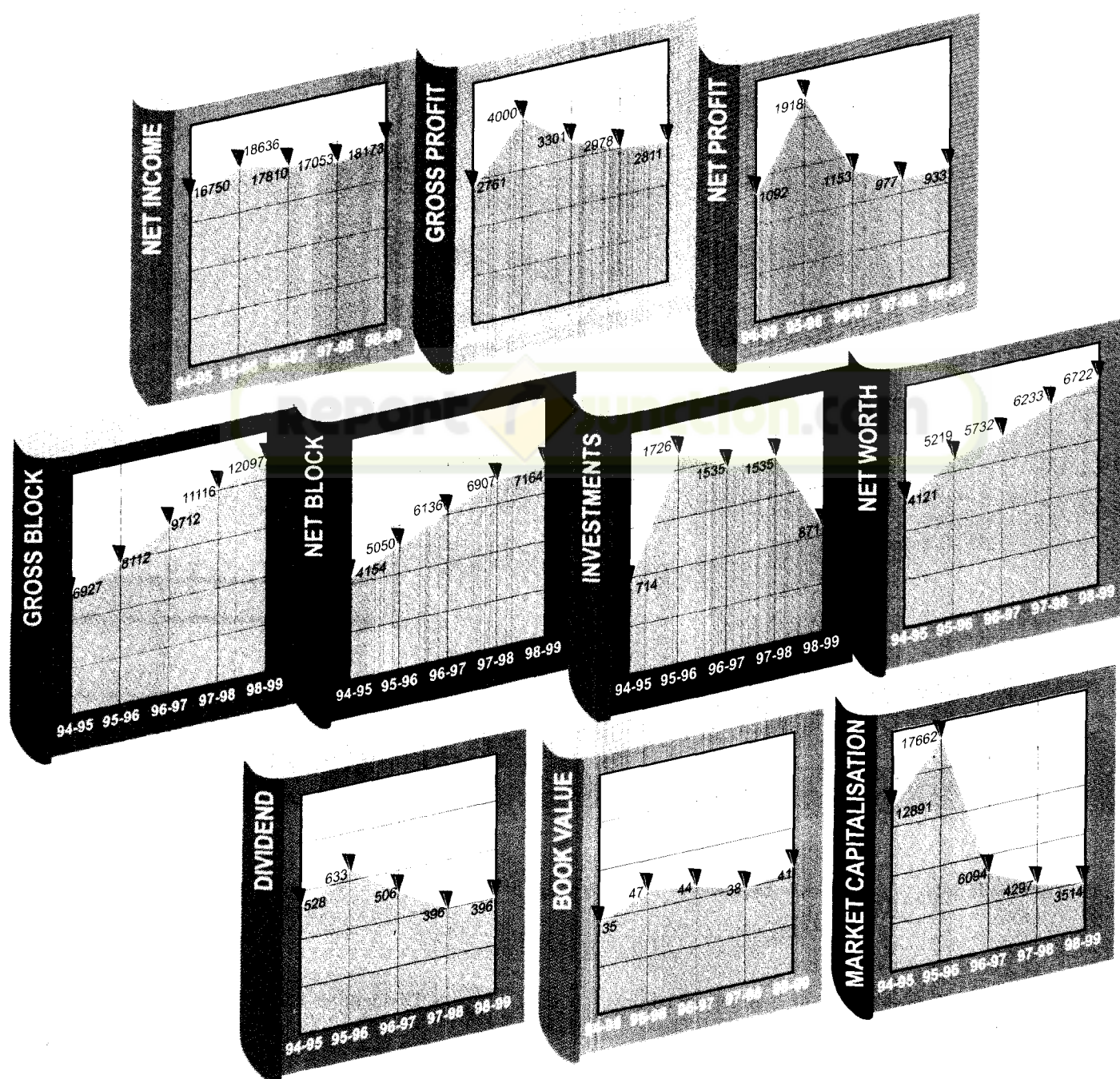


ADVANI-OERLIKON LIMITED



# 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

**ADVANI-OERLIKON LIMITED**

# 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
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3. RESERVES & SURPLUS	362	(178)	(529)	(3)	0.00
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4. BORROWINGS (NET)	206	983	524	243	(1294)
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TOTAL	2185	3002	2109	1811	358
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## UTILISATION OF FUNDS

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



# Regulatory & Revenue Compliances

## CORPORATE REGULATORY COMPLIANCES

- SEBI guidelines
- Listing agreement
- Companies Act, 1956
- Shares listed at the following stock exchanges :
  - BSE ● NSE ● Ahmedabad ● Madras

## STATUTORY REVENUE COMPLIANCES

- Income Tax
- Wealth Tax
- Sales Tax
- Professional Tax
- Provident Fund
- Family Pension Fund
- Gratuity
- Superannuation
- ESI Contribution

## COMPLIANCES STATUS

All procedural requirements for the financial year 1998-99 duly complied.  
 Listing fees paid till date.

Returns filed on due dates and taxes paid based on self assessment for the financial year 1998-99.

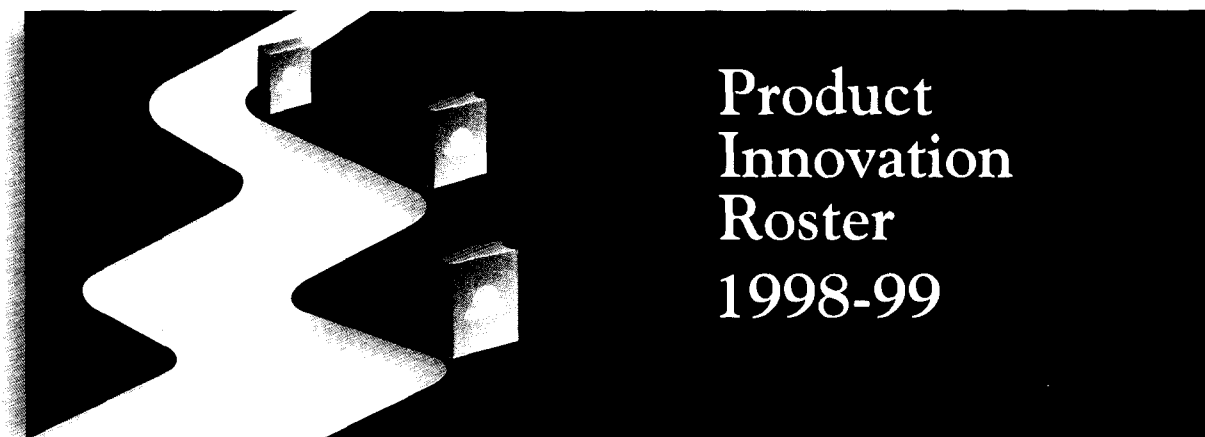
Amounts deposited with concerned authorities / funds and Returns filed for the financial year 1998-99.

# 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
<b>TOTAL CONTRIBUTION</b>	<b>4745</b>

**ADVANI-OERLIKON LIMITED**

# 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.