

# Golden Jubilee Year 1951-2001



CERTIFIED TRUE COPY  
FOR ADVANI-DELIKON LIMITED

*V. B. Bhat*  
COMPANY SECRETARY



## 48th Annual Report 2000-2001

ADVANI-DELIKON LIMITED





## **A SIMPLE BEGINNING -- NOW A NAME SYNONYMOUS WITH EXCELLENCE IN WELDING**

Fifty years ago, in Zurich, Switzerland, two friends, Mr. George Malamoud and Mr. Jethmal Lalvani, shook hands to conclude a business understanding that has spanned across half a century today. On 22nd October 1951, an agreement was signed between J. B Advani & Co. Pvt. Ltd. and European Holding Co. Intercito Ltd. Switzerland, giving birth to J.B. Advani Oerlikon Electrodes Pvt. Ltd., India's first welding company that was established to cater to the specialised needs of core industries. Backed by an equity partnership with Intercito's member company, i.e. Oerlikon Buehrle A. G, Switzerland, J. B Advani Oerlikon Electrodes Pvt. Ltd. drew upon the technological strengths of its renowned partner to manufacture, at the first plant set up in Bhandup, Mumbai, a variety of electrodes that fulfilled crucial welding requirements in industries.

Today, with six plants supported by area offices at all strategic locations in the country and a widespread domestic and global distribution network, Advani-Oerlikon Ltd. (renamed in 1968) towers high not only as India's pioneer leader in welding but also as a name that has meant excellence in welding for half a century !

## **ON A GOLDEN THRESHOLD...**

This is a historic phase for Advani-Oerlikon Ltd., the company having entered its fiftieth year of operation in the new millennium. There will be only few in today's industrial world who would have recorded a fifty-year history of growth and fewer still who will be able to merit leadership in a chosen field for as long as half a century.

To all of us, therefore, the Golden Jubilee year is a time to share the pride and joy of not only accomplishment but also of belonging to a large family -- business and technology partners, shareholders, employees, vendors and all service providers -- each one of whom has contributed to this unique success story. Today, no other company in the welding industry can match the 'legacy' that Advani-Oerlikon Ltd. has inherited -- a legacy of several testimonials and awards, of "firsts" in the field of welding, of international accreditation and approvals -- all achieved in the pursuit of excellence at every level of activity.

This is the time, while we stand on this 'Golden Threshold', not only to look back and pay tribute to our founding fathers but also to look forward and prepare for a world that will be increasingly technology-driven.



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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. V. G. Kutty**  
Executive Director

**Mr. G. L. Mirchandani**  
Director

**Mr. S. R. Kirloskar**  
Director

**Mr. P. K. Banerjee**  
Director

**Mr. Mauro Vacchi**  
Director

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

### Corporate Management Team

Mr. V. D. Mansukhani

Mr. C. S. Sirdeshpandey

Mr. C. Venugopal

Mr. Raman Kumar

Mr. A. Parasuram

Mr. C. Achuthan

Mr. N. C. Shetty

Mr. R. A. Bijlani

Mr. K. N. Subramanian

### Company Secretary

Mr. V. M. Bhide

### Registered & Corporate Office

Ador House,  
6, K. Dubash Marg,  
Fort, Mumbai-400 023.

Tel.: 284 2525, 287 2548

Fax: 287 3083

Website:

<http://www.advani-oerlikon.com>

### Bankers

State Bank of India

Bank of Baroda

### (a) Registrar &

#### Share Transfer Agent

ADOR FINANCE LIMITED

(Share Registry Division)

Ador House, 5th Floor,

6, K. Dubash Marg,

Mumbai-400 023.

Tel.: 284 2525, 287 2548

Fax: 282 8023

### (b) Electronic Transfer Agent

MCS LIMITED

Shri Padmavati Bhavan,

Plot No. 93, Road No. 16

M.I.D.C. Area, Andheri (E),

Mumbai 400 093

Tel.: 820 1785

Fax: 820 1783

### Auditors

Dalal & Shah, Mumbai

### Solicitors

Nanu Hormasjee & Co.,

Mumbai

## OUR GRATITUDE ...

Half a century of growth, achievements and leadership of Advani-Oerlikon Ltd. in the welding industry was an era that was influenced by some of the best minds that the company had on its past Boards of Directors. Their business acumen coupled with their faith and conviction in their people, led the company from one milestone to another. While the company places on record the invaluable role they have played in steering the organisation through these glorious fifty years, the present Board of Directors wish to express their gratitude to them for having raised the company to its present enviable stature. Their contribution today stands as a beacon that will light up our way in the coming years of the new millennium.

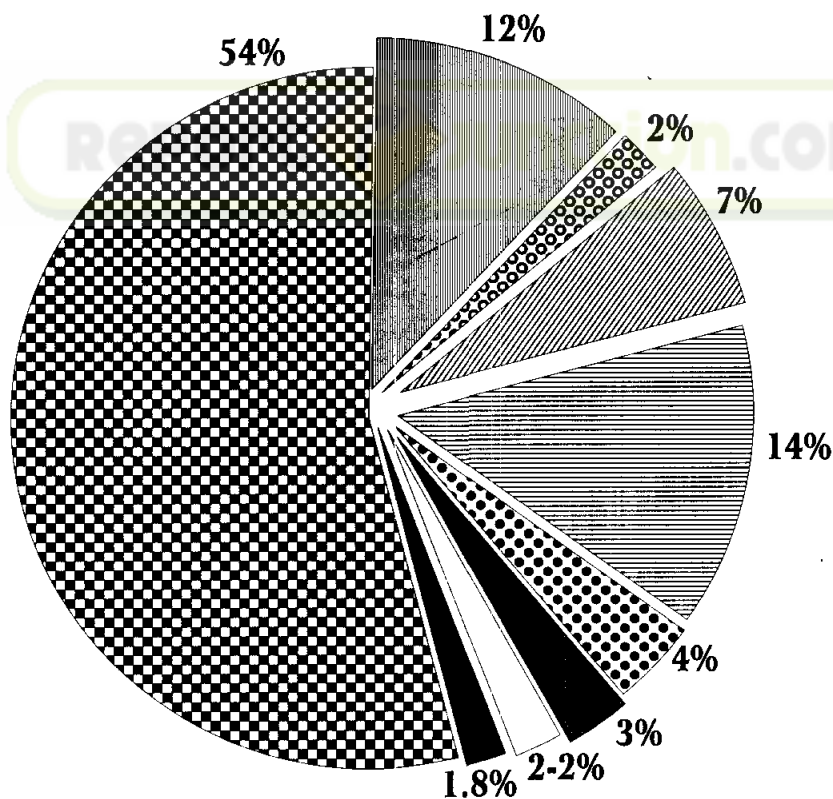




## DISTRIBUTION OF REVENUE

Rs. In lacs

	Cost of Goods Sold	8784
	Employee Expenses	1951
	Interest & Finance Charges	333
	Manufacturing Expenses	1058
	Administration / Selling Expenses	2307
	Depreciation	711
	Tax	480
	Dividend + Tax	349
	Retained Profit	288

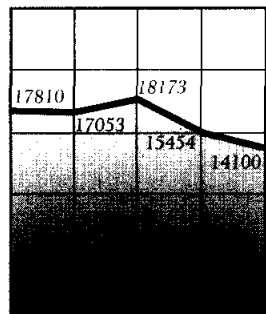




## PERFORMANCE AT A GLANCE

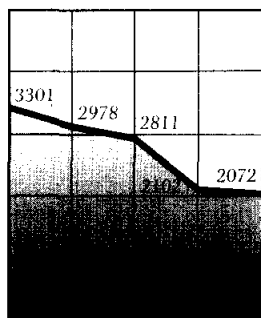
Rs. in lacs

NET INCOME



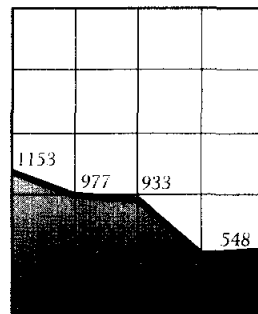
96-97 97-98 98-99 99-2000 2000-2001

GROSS PROFIT



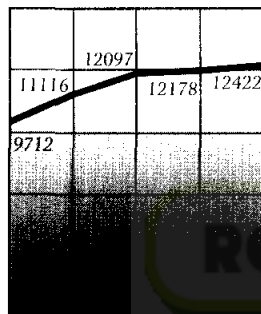
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NET PROFIT



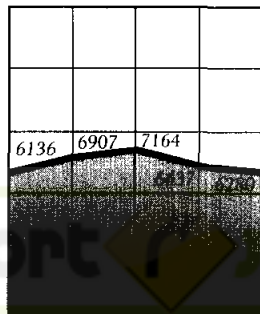
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GROSS BLOCK



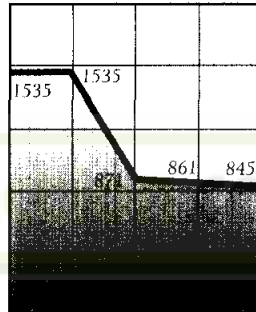
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NET BLOCK



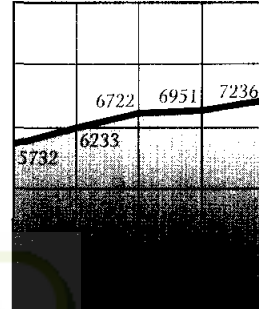
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INVESTMENTS



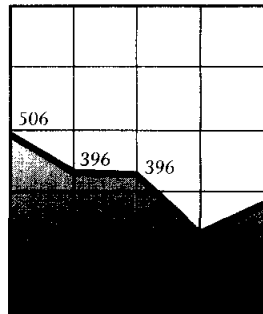
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NET WORTH



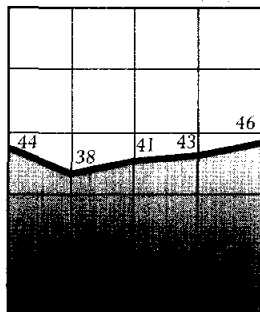
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DIVIDEND



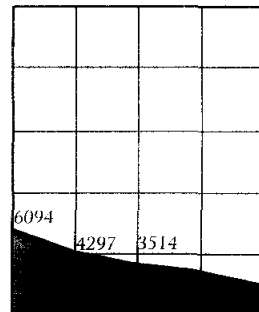
96-97 97-98 98-99 99-2000 2000-2001

BOOK VALUE (Rs.)



96-97 97-98 98-99 99-2000 2000-2001

MARKET CAPITALISATION



96-97 97-98 98-99 99-2000 2000-2001



## FINANCIAL RATIOS

YEAR	96-97	97-98	98-99	99-2000	2000-2001
ROI (%)	13.18	11.18	11.21	5.44	6.89
SALES / CAPITAL EMPLOYED RATIO (TIMES)	1.99	1.91	2.13	1.63	1.73
PROFIT / SALES (%)	6.61	5.87	5.27	3.34	3.98
WORKING CAPITAL TURNOVER RATIO (TIMES)	7.45	7.21	9.26	8.90	15.10
INVENTORY / TURNOVER RATIO (TIMES)	11.22	10.36	10.32	9.85	13.30
DEBTORS' / TURNOVER RATIO (NO.OF DAYS)	17	36	37	20	24
CURRENT RATIO (TIMES)	1.78	1.92	1.66	2.08	1.41
DEBT EQUITY RATIO (TIMES)	0.59	0.45	0.28	0.37	0.13
EPS (Rs.)	9.12	6.17	5.89	3.18	3.47



## FUNDS FLOW

(Rs. in Lacs)

DESCRIPTION	96-97	97-98	98-99	99-2000	2000-2001
<b>SOURCES OF FUNDS</b>					
1. INTERNAL GENERATION					
PROFIT AFTER TAXES	1071	939	928	496	637
DEPRECIATION	515	632	724	608	600
SUB TOTAL	1586	1571	1652	1104	1237
2. SHARE CAPITAL	528	-	-	-	-
3. RESERVES & SURPLUS	(529)	(3)	-	(3)	(3)
4. BORROWINGS (NET)	524	243	(1294)	(175)	(1573)
5. WORKING CAPITAL	-	27	398	-	915
TOTAL	2109	1838	756	926	576

DESCRIPTION	96-97	97-98	98-99	99-2000	2000-2001
<b>UTILISATION OF FUNDS</b>					
1. FIXED ASSETS	1600	1403	981	81	243
2. INVESTMENTS	(191)	-	(664)	(10)	(16)
3. WORKING CAPITAL	144	-	-	591	-
4. DIVIDEND	556	435	439	264	349
TOTAL	2109	1838	756	926	576

## NUMBER OF SHAREHOLDERS & EMPLOYEES

DESCRIPTION	31.3.97	31.3.98	31.3.99	31.3.2000	31.3.2001
1. NUMBER OF SHAREHOLDERS	17300	18500	20340	22121	20982
2. NUMBER OF EMPLOYEES	1113	1081	1110	1062	740



## REGULATORY & REVENUE COMPLIANCES

### CORPORATE REGULATORY COMPLIANCES

- SEBI guidelines
- Listing agreements
- Companies Act, 1956
- Shares listed at the following stock exchanges :
  - BSE ■ NSE ■ Ahmedabad
  - Chennai

### COMPLIANCES STATUS

All procedural requirements for the financial year 2000-2001 duly complied.  
Listing fees paid till date.

### STATUTORY REVENUE COMPLIANCES

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

### COMPLIANCES STATUS

Returns filed / being filed on or before due dates and taxes paid on self assessment basis for the financial year 2000-2001.

Funds deposited with concerned authorities and Returns filed for the financial year 2000-2001.



## CONTRIBUTION TO THE EXCHEQUER

	(Rs. in lacs)
● Excise Duty	2091
● Sales Tax	1237
● Income Tax	595
● Wealth Tax	3
● Dividend Tax	26
● Entry Tax, Octroi, Service Tax etc.	74
<b>TOTAL CONTRIBUTION</b>	<b>4026</b>



A landmark event in the life span of Advani-Oerlikon Ltd., the Golden Jubilee brings with renewed commitment, a series of newly developed and re-engineered products strengthened by exclusive service packages. Aimed at enhanced productivity and quality, these initiatives signify the company's continued leadership in an industry that it pioneered 50 years ago.

## GOLDEN JUBILEE INITIATIVES

### NEW PRODUCTS

Each year, in its pursuit of excellence and its penchant for innovations, Advani-Oerlikon Ltd. introduces new welding products to cater to the stringent demands of today's industrial world. The company's Technology Development Centre is continuously at work innovating, inducting and adapting new technologies to be at par with the world's best. As much as introducing new products is Advani-Oerlikon's concern for enhancing performance levels of existing products — an activity that has been responsible for continuous updates and re-orientation of formulations and technical features.

### Consumables

NICALLOY 6 — 9 % Nickel Steel Electrode for Welding of LNG Tanks.

BETANOX 125 LN — Electrode for rebuilding of Steel Plant Components.

AUTOMELT EII 10K — SAW Wire for Welding of Carbon Steels.

AUTOMELT Er Ni Cr Mo3 — SAW Wire for Welding of 9 % Nickel Steels.

FLUXOCORD 574 LM — SAW Wire for rebuilding of Steel Plant Rolls.

AUTOMELT B-21 — Flux for Welding of Carbon / Low Alloy Steels.

AUTOMELT S-79 — SAW Flux for Welding of 9 % Nickel Steels.

NEW PACKAGING — To ensure durability and longer self life of electrodes, special VAC-PAC (vacuum packed) cartons have been introduced to keep the electrodes protected against moisture and from damage due to handling. New packaging design coupled with in-house printing facilities have enabled the company to fight the menace of infringement, so critical in welding.

