

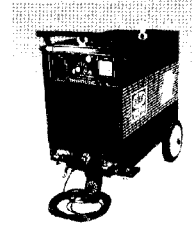
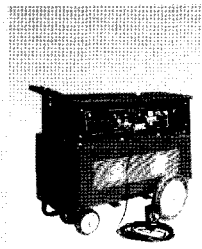
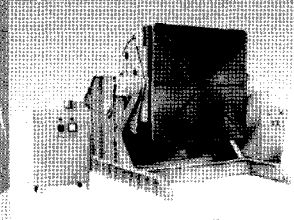
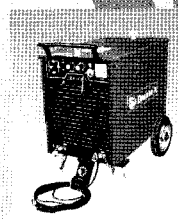
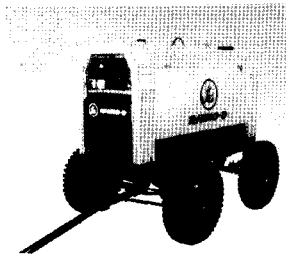
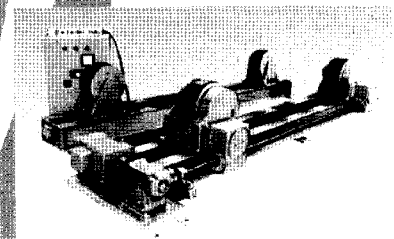
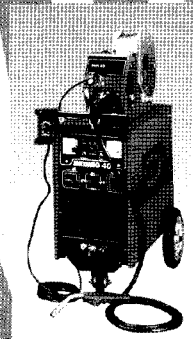
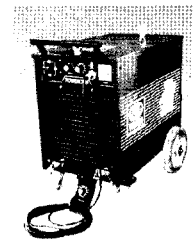
52nd Annual Report 2004-05



ADOR WELDING LIMITED

*total framework
for integrated rapid growth*

Report  www.reportjunction.com



WINDOW OF RISING OPPORTUNITIES

Even as Ador Welding Limited made headway on many facets of industrial welding over the last several years, it had, on a regular and planned basis, ploughed back a substantial part of its earnings towards the development of its infrastructure. The success of the recent 'reach-out' programme initiated by the Company gives evidence of its strategic presence in all market sectors and its total capacity to deliver. Plant and machinery, research and administrative hubs, professional manpower and training centres, distributor and service networking, were all viewed in totality not only to fulfil the requirements of the home market but also to support demanding global trends. The result is that no welding Company in the country today, can claim an infrastructure that is as sound and far-reaching in its strength as Ador Welding, to fulfil the wide range of welding requirements expected of lead players.

On the other side, world economy today is in a state of flux, leaving no country in isolation and throwing open, in the process, many a window of rising opportunities for welding companies that have the wherewithal. Quality and product range coupled with reliability and integrated services are the demands made of welding companies, especially when it comes to crucial applications. In the burgeoning world scenario with a multiplicity of demands, Ador Welding looks at a future that promises accelerated and integrated growth of its capabilities. The Company has its framework in place to support that growth while new windows of opportunities are opening up to its superior advantage.



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ADOR WELDING LIMITED

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Board of Directors

Ms. A. B. Advani
Executive Chairman

Mr. V. G. Kutty
Managing Director

Mrs. R. T. Malkani
Director

Ms. R. Lalvani
Director

Mrs. N. Malkani Nagpal
Director

Mr. G. L. Mirchandani
Director

Mr. J. N. Hinduja
Director

Mr. R. R. Vora
Director

Mr. Anil Harish
Director

Mr. M. K. Maheshwari
Director

Corporate Management Team

Mr. C. Venugopal

Mr. V. D. Mansukhani

Mr. Raman Kumar

Mr. N. C. Shetty

Mr. R. A. Bijlani

Mr. K. N. Subramanian

Mr. A. Anantharaman

Mr. V. B. Tamboli

Mr. M. V. Nabar

Bankers

Bank of Baroda

HDFC Bank

Auditors

Dalal & Shah, Mumbai

Solicitors

Nanu Hormasjee & Co.,
Mumbai

Company Secretary

Mr. V. M. Bhide

Registered & Head Office

Ador House,
6, K. Dubash Marg,
Fort, Mumbai - 400 023.
Tel.: 2284 2525, 2287 2548
Fax: 2287 3083

Website

<http://www.adorwelding.com>

Registrar & Share Transfer Agent

SHAREX DYNAMIC(India)
Pvt. Ltd.

Head Office

17/B, Dena Bank Bldg., 2nd floor,
Horniman Circle, Fort,
Mumbai - 400 001.
Tel. : 2270 2485, 2264 1376
Fax : 2264 1349

Branch Office

Unit No. 1, Luthra Industrial
Premises, Andheri Kurla Road,
Safed Pool, Andheri (E),
Mumbai - 400 072.
Tel. : 2851 5606 / 44
Fax : 2851 2885

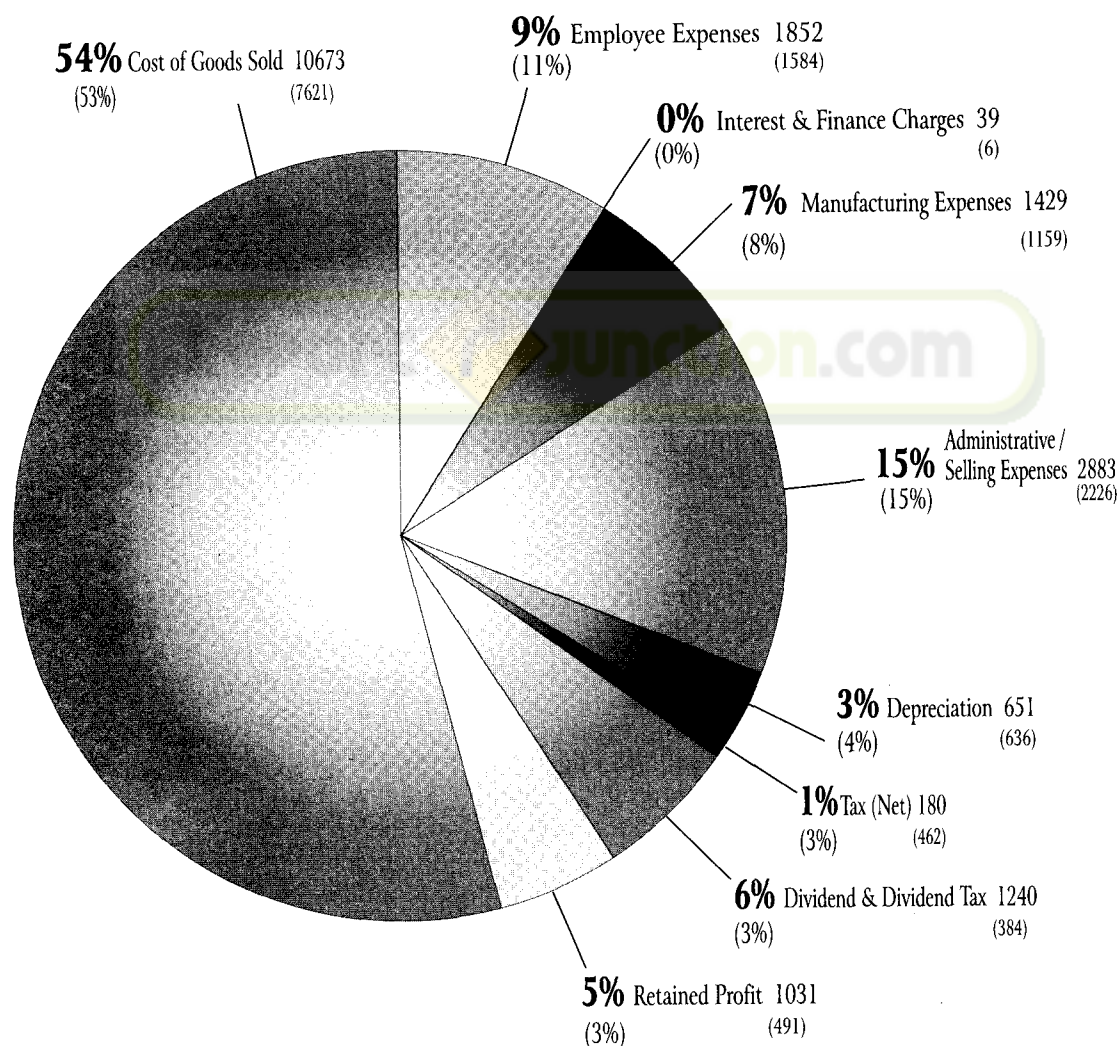


ADOR WELDING LIMITED

Distribution of Revenue

(Excluding surplus on transfer of rights in land and additional depreciation)

(Rs. in lacs)



(Figures in bracket indicate Previous Year)

Financial Ratios

DESCRIPTION	2004-05	2003-04
ROI (%)	31.93	12.33
Sales to Capital Employed Ratio (Times)	2.28	2.02
Profit to Sales (%)	13.78	6.07
Working Capital Turnover Ratio (Times)	6.85	9.93
Inventory Turnover Ratio (Times)	6.34	3.90
Debtors Turnover Ratio (No. of Days)	6	17
Current Ratio (Times)	1.92	1.53
Debt Equity Ratio (Times)	NA*	NA*

*SINCE NO DEBT

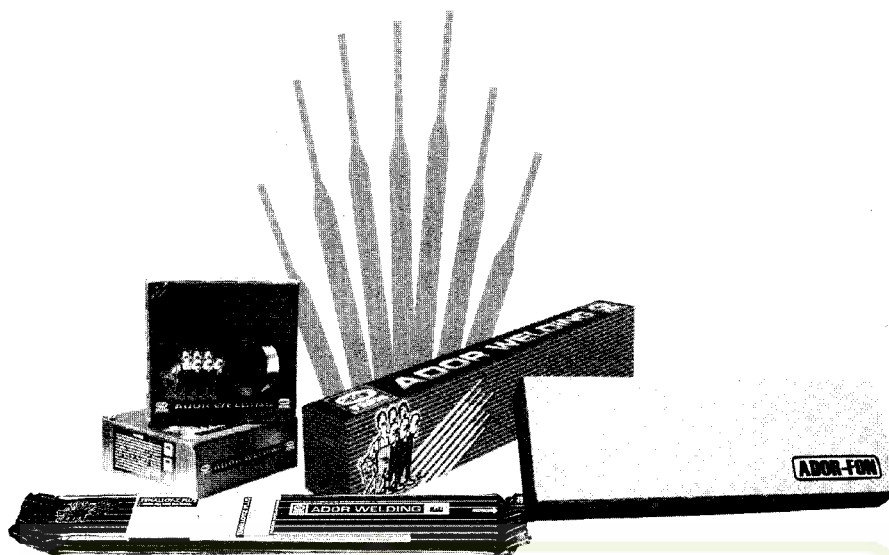
Funds Flow

(Rs. In lacs)

DESCRIPTION	2004-05	2003-04
Sources of Funds		
Profit after Tax	2793	882
Depreciation (Including additional depreciation)	1760	636
Disinvestments Proceeds (Net)	--	21
Fixed Assets (Net)	250	--
Total	4803	1539
Application of Funds		
Fixed Assets (Net)	--	851
Investments in Bonds, etc. (Net)	1553	--
Repayment of Borrowings (Net)	-	3
Working Capital (Net)	2009	301
Dividend	1088	340
Dividend Tax	153	44
Total	4803	1539



Innovations / New Developments



CONSUMABLES

8018 C 1 Electrode AWS/SFA A 5.5 E 8018-C1

Specially developed for overseas requirements, this welder-friendly electrode has high impact resistance even at -59°C . Used widely for welding and repairing of weathering steels and fabrications that demand stringent classification requirements.

8016 G Electrode AWS / SFA A 5.5 E 8016G

This vacuum-packed electrode that can be used directly without redrying, yields weld deposits of superior mechanical properties as compared to electrodes of similar AWS specifications. Developed for exports, the electrode has excellent CTOD (Crack Tip Opening Displacement) properties at -10°C and complies with strict N.A.C.E. requirements.

E 714 MC

Now under regular supply to Indian Railways, this special electrode is used for surfacing railway points and crossings. It has a high weld deposit efficiency of 135%, high tensile properties, high resistance to abrasion, deformation and cracking. It is also used for welding of bullet-proof armour steels.

7018 H4R and 7018-1 H4R Electrode

These vacuum-packed electrodes were developed to meet H4R specifications of AWS that requires moisture resistance and controlled hydrogen properties to be strictly maintained at optimum levels. The upgraded quality of these electrodes was achieved through specially improved manufacturing processes under strict process control.

Automig FC 120 Flux-Cored Wires equivalent to 71T1 Class

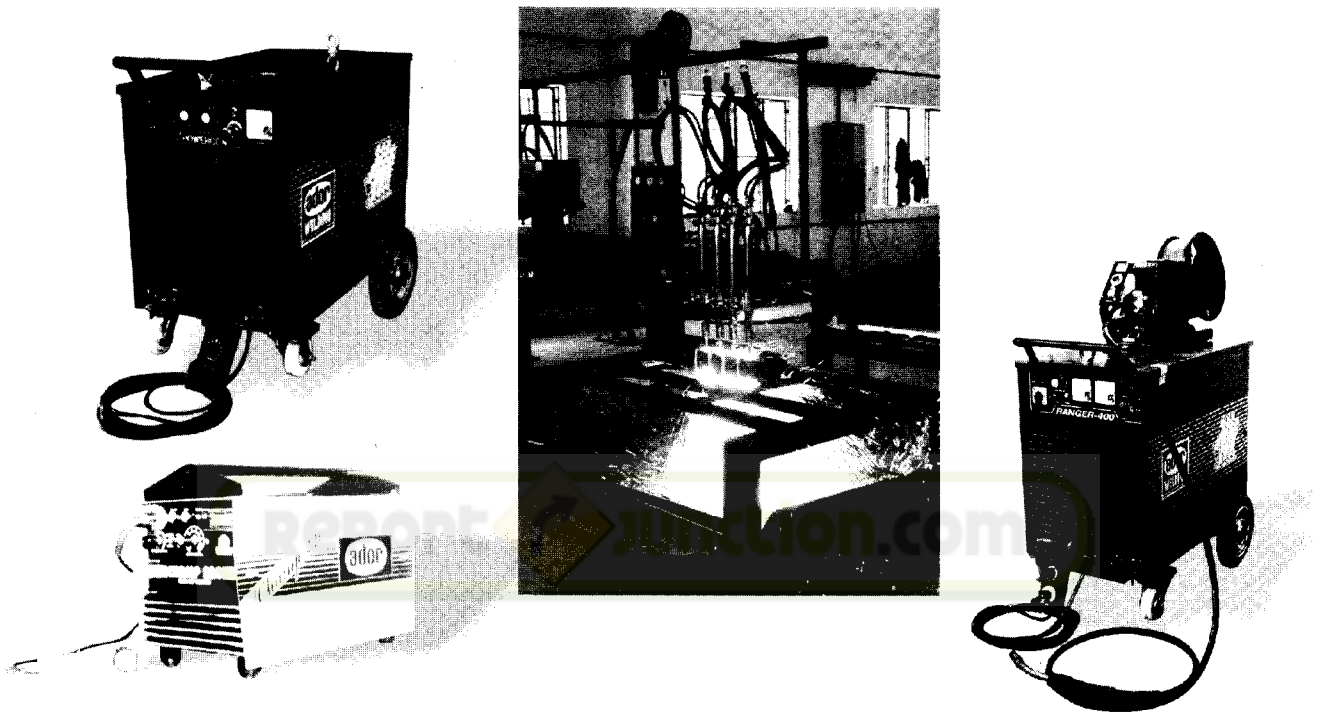
The first electrode in this range, Automig FC 120 is manufactured on the latest state-of-the-art equipment with strict process control for consistent mechanical properties and performance. This all-position Flux-Cored wire has excellent weld bead finish with negligible spatter loss.

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Innovations / New Developments



EQUIPMENT

Thyroluxe 401 SPL with HF 2001

Performance characteristics of the company's compact TIG Welding equipment have been enhanced in this new model, HF 2001. Used along with the new performance-proven Thyristor Controlled Welding Rectifier, Thyroluxe 401 SPL, the unique combination offers all the excellent features of each of the individual forerunners, HF 2000 and Thyroluxe 401.

'Right Cut' Series of Optical Type Profile Gas Cutting Machine

Available in a choice of 4 models, this machine is capable of cutting iron plates of up to 200 mm thickness to any shape using a drawing or a template of the shape of the cut, in a maximum width of 2 metres. It can be equipped with 4 motorised Gas Cutting Torches to cut 4 identical pieces simultaneously for enhanced productivity. The machine comes with one integrated control panel for operator convenience.



Innovations / New Developments

EQUIPMENT

WH 15 (F)

This is a compact, lightweight, Submerged Arc trolley-mounted type Welding Head with unique, user-friendly features. It has a compact multi-function unit with feather-touch controls. A single wire-drive roller that feeds wires of 2 to 5 mm thickness reduces inventory and spares. Fillet welding as well as twin-wire facilities are available as optionals with this unit.

Champtig 220 M

This new introduction of the inverter based TIG Welding Power Source with Digital Microprocessor-based controller, enables storage and selection of ten different sets of parameters for pulse TIG Welding. The unit also offers the facility of independent setting of all pulse TIG Welding parameters.

Powercon MIG 400

After the successful launch of its energy-efficient precursor Powercon-400, the company introduced Powercon MIG 400 in the MIG / MAG range. The unit does not require Power Factor Correction capacitors as compared to other Thyristorised Power Sources. The unit offers reliable, constant voltage characteristics, ensuring good welding performance throughout the range. Equipped with a unique Variable Electronic Inductance, the product is truly distinctive with the highest ERM factor, i.e. Efficiency x Reliability x Power Factor.

Ranger Multi 600

This unique 600 AMP welding rectifier with multi process capability, is suitable for SMAW / Gouging and Cutting / TIG with HF unit / MIG / MAG process with proven thyristor technology. Besides offering all the benefits of the company's existing series of Ranger and Thyrolux equipment, it is compatible with all the combinations of AWL's range of wire feeders as well as welding torches. It can also be used with an open arc wire feeder.

ADOR WELDING LIMITED

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DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the Fifty-Second Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March 2005.

1.0 FINANCIAL PERFORMANCE

(Rs. in Crores)

KEY FINANCIAL INDICATORS	For the year ended 31st March, 2005	For the year ended 31st March, 2004
Sales & other Income (Net of Excise Duties, Discounts & Incentives and including surplus on transfer of rights in land)	215.28	145.69
Profit before Interest and Depreciation	46.91	19.78
Profit before Tax	28.93	13.36
Provision for Tax (Net of deferred tax)	1.00	4.54
Profit for the year	27.93	8.82
Capital Expenditure	5.98	8.70

2.0 DIVIDEND AND RESERVES

2.1 The Board of Directors is pleased to recommend a Dividend of 30% (i.e. at Rs. 3/- per equity share) for the year 2004-2005, subject to the approval of Members. (Dividend for the year 2003-2004 was declared at 25% i.e. at Rs. 2.50 per equity share).

2.2 In addition, the Board of Directors is pleased to recommend a special dividend of 50% for the year 2004-2005, subject to the approval of Members.

2.3 Dividend for the year 2004-2005 shall be paid to those Shareholders whose names are on the Register of Members as on the date of the Book closure for Dividend payment.

2.4 The Board recommends the transfer of Rs. 15.00 Crores to the General Reserve, and the balance of Rs. 2.09 Crores for retention in the Profit and Loss Account.

3.0 OPERATIONS

3.1 In the year 2004-2005, the Company posted a growth of 37% in the operational & other income. The year ended with a operational & other income of Rs. 199.78 Crores as against previous years operational & other income of Rs. 145.69 Crores.

The Company's Sales and income comprised of the following:

- 3.1.1 Welding Consumables at Rs. 154.30 Crores
- 3.1.2 Equipment & Project Engineering at Rs. 42.93 Crores
- 3.1.3 Other Income (dividend etc.) at Rs. 2.55 Crores.
- 3.1.4 The Company has transferred the development rights and handed over the possession of its land at Vadgaon Sheri, Pune, resulting in a gain of Rs. 15.50 Crores.
- 3.2 This year the turnover has grown substantially in value terms. However the improved economic scenario should give sufficient fillip for a reasonable growth in quantitative terms also in the coming year/s.
- 3.3 The export turnover was at Rs. 33.42 Crores as against the previous year's export turnover of Rs. 23.36 Crores.

4.0 SECURED LOANS

The Company has not taken any loans during the year and hence does not have any secured loans as at the end of the financial year 2004-2005.

5.0 VOLUNTARY DELISTING OF SHARES

The Equity Shares of the Company have been