



54th Annual Report

2006-07



ADOR WELDING LIMITED

INDIA'S WELDING POWER HOUSE



ADOR WELDING LIMITED

REGD. & HEAD OFFICE

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G.P.O. Box 1546, Mumbai - 400 001.
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Fax: (022) 2287 3083
E-mail: vmhide@adorians.com

CENTRAL MARKETING OFFICE

L.B.S. Marg, Bhandup (West),
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INTERNATIONAL BUSINESS DIVISION

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CENTRE FOR WELDING EXCELLENCE

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Board of Directors, Corporate Management Team, Bankers, Solicitors and RTA

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. R. A. Mirchandani

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

Mr. P. K. Gupta

Director

Corporate Management Team

Mr. C. Venugopal

Mr. Raman Kumar

Mr. A. K. Gupta

Mr. R. A. Bijlani

Mr. K. N. Subramanian

Mr. V. B. Tamboli

Mr. S. H. Lala

Mr. Suresh Nair

Mr. Arun Gupta

Mr. V. M. Bhide

Company Secretary

Mr. V. M. Bhide

Registered & Head Office

Ador House,

6, K. Dubash Marg,

Fort, Mumbai - 400 001.

Maharashtra, India

Tel.: 2284 2525, 2287 2548

Fax: 2287 3083

Website:

<http://www.adorwelding.com>

Bankers

Bank of Baroda

HDFC Bank

Auditors

Dalal & Shah, Chartered Accountants,
Mumbai

Solicitors

Nanu Hormasjee & Co.,
Mumbai

Registrar &

Share Transfer Agent (RTA)

M/s. SHAREX DYNAMIC(India) Pvt. Ltd.

Head Office:

17/B, Dena Bank Bldg., 2nd floor,

Homiman Circle, Fort,

Mumbai - 400 001.

Maharashtra, India

Tel. : 2270 2485, 2264 1376

Fax : 2264 1349

Branch Office:

Unit No. 1, Luthra Industrial Premises,

Andheri Kurla Road, Safed Pool,

Andheri (East),

Mumbai - 400 072.

Maharashtra, India

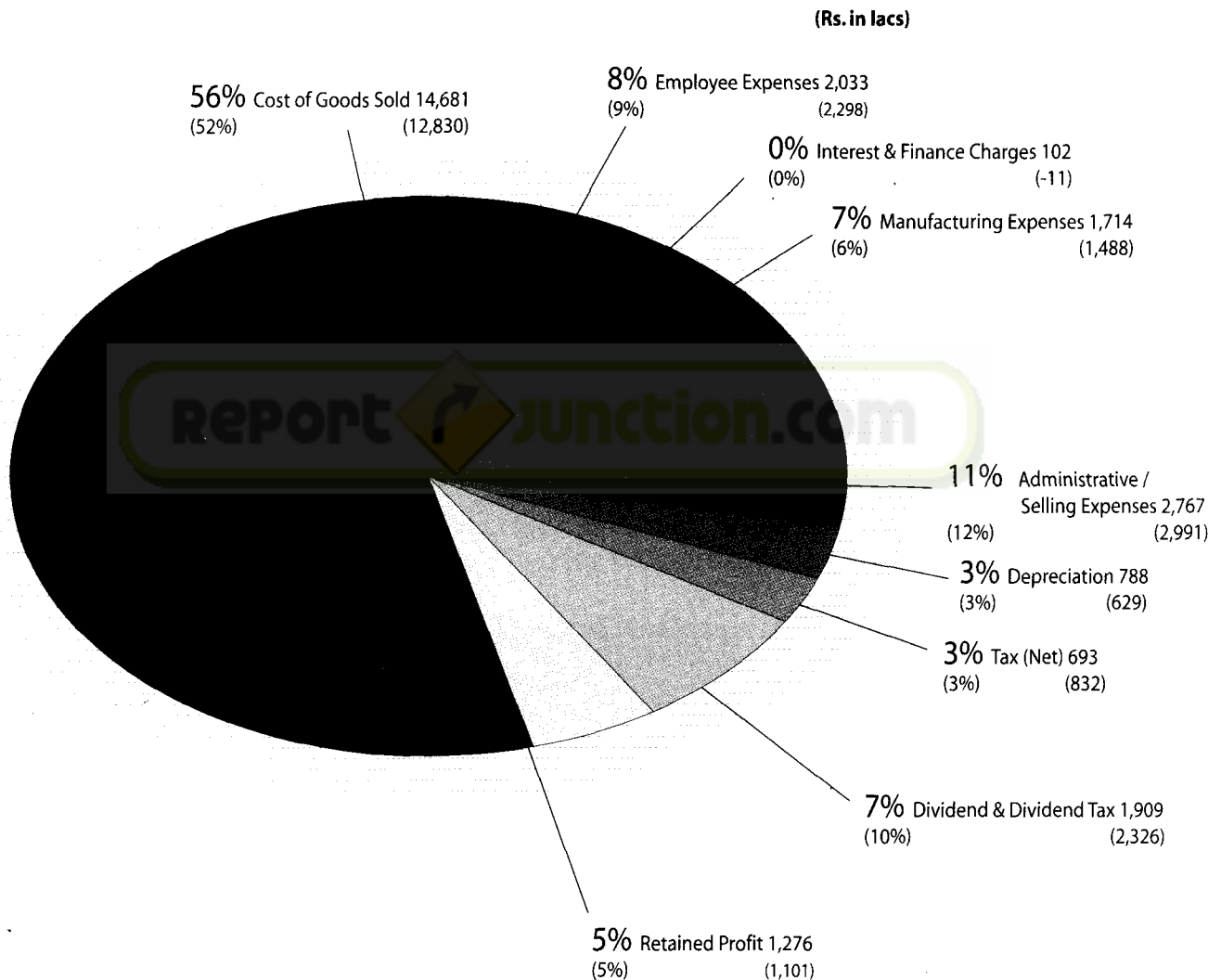
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Distribution of Revenue

(Excluding surplus on sale of property)



(Figures in bracket indicate Previous Year)



Finanacial Ratios

DESCRIPTION	2006-07	2005-06
Return on Investment (%)	35.09	53.69
Sales to Capital Employed Ratio (Times)	3.11	3.42
Profit to Sales (%)	12.56	16.42
Working Capital Turnover Ratio (Times)	12.74	8.78
Inventory Turnover Ratio (Times)	8.16	10.61
Debtors Turnover Ratio (Times)	22	17
Current Ratio (Times)	1.47	1.81
Debt Equity Ratio (Times)	NA*	NA*

*NO DEBT

Funds Flow

DESCRIPTION	2006-07	2005-06
Sources of Funds:		
Profit after Tax	3,262	4,020
Depreciation (Including additional depreciation)	788	629
Total	4,050	4,649
Application of Funds:		
Fixed Assets (Net)	2,302	1,538
Investments in Bonds, etc. (Net)	—	174
Working Capital (Net)	(161)	611
Dividend	1,632	2,040
Dividend Tax	277	286
Total	4,050	4,649



WELDING CONSUMABLES

(NEW DEVELOPMENTS)

Electrodes:

1. Tenalloy 70A S plus:

AWS/SF A5.5E 8018C1

A customized, superior product for Welding and Repairing of weathering Steels. Specially developed to meet grade 5Y requirement. Approved by DNV. Higher impact resistance at minus 60° C.

2. Tenalloy Z Plus H 4 R:

AWS/SFA 5.5 E7018-1H 4R

Welder friendly and truly moisture resistant R2U Type electrode can be exposed for over 8 hours at 80 - 85% relative humidity at 27° C

3. Nicalloy Fe 3:

AWS/SFA 5.11 ENiCrFe 3

Specially designed versatile electrode for Inconel welding applications for all positions. Welds are cold tough with excellent resistance to scaling at high temperature.

4. Nicalloy 1:

AWS/SFA 5.11E Ni 1

Very smooth working electrode for welding pure nickel and nickel plated steels, gives porosity free, crack resistant deposit of X-Ray quality.

5. Superinox 2C(Spl.):

AWS/SFA 5.4E 316L-16

A customized product with restricted weld metal chemistry (especially Carbon & Molybdenum). Electrode works with welder friendly characteristics with excellent slag detachability.

6. Betanox DLMo (Spl.):

AWS/SFA 5.4 E-309 MOL-16

A customized product with restricted weld metal chemistry (especially Carbon & Molybdenum). Electrode works with welder friendly characteristics and excellent slag detachability.

7. SPEM 299:

AWS/SFA 5.4 E 312-16

Welder friendly electrode specially developed for maintenance applications. Weld deposit is resistant to friction, heat & corrosion.

Wires & Fluxes:

1. Automig FC 120 T:

AWS 5.20 71T1 (Spl.)

A truly all position wire (including V-down) that gives weld metal with unmatched toughness up to -40°C. Coupled with arc & slag characteristics that are so welder friendly that this becomes a first choice consumable for pressure vessel fabrication.

2. Automig FC 91 T1-B 3:

A Welder friendly flux cored wire for welding creep resisting steels of 2 ½ Cr-1Mo. Composition. It has all position welding with excellent slag detachability even in narrow grooves with full CO2 shielding. Along with the above, the wire, deposits a weld metal with very low diffusible H2 content coupled with very good toughness.

3. 3.0-1050:

It is a self-shielded flux cored wire with superb welding characteristics & slag detachability. Ideal for welding at sites and as a buffer layer before hard facing. The weld metal has excellent ductility and toughness at room temperature.

4. Flux:

AWS 5.17 F7A4/F6 P4-EM12K F7A4/P4-EH14

Basic flux with excellent welding characteristics, designed for thick walled pressure vessels and boilers. Results in weld metal that has very good toughness up to -50° C. The slag detachability is so good that it can be used for narrow gap welding.

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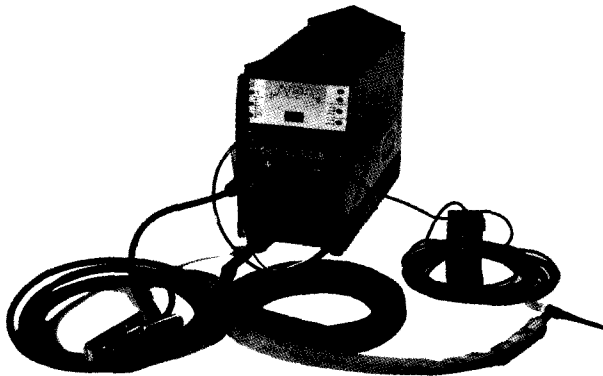
WELDING EQUIPMENT (NEW DEVELOPMENTS)

CHAMPMIG 400

This is an Inverter based MIG/MAG welding outfit with a current capacity of 400 Amps @ 60% duty cycle. The equipment comes with a 4 Roll wire feeder and digital Ammeter voltmeter. The unit comes with inbuilt protections such as thermal overload, single phasing, under voltage, over current making the equipment safe to use under Indian Input Supply voltage conditions.

CHAMPTIG 300 AD

This is an Inverter based AC/DC Pulsed Tig welding outfit with a current capacity of 300 Amps@ 60% duty cycle. It is possible to use this equipment in AC TIG / DC TIG / Mixed TIG /SMA welding applications. The Equipment comes with inbuilt independent settings of Pulse Tig welding parameters.



CHOPREC 601

This is an Energy efficient SMA welding outfit with a current capacity of 600 Amps@ 60% duty cycle. Advantages of CHOPREC series equipment such

as High Efficiency, High Power Factor, Low Power consumption, Better Reliability are available in this equipment. Ideal equipment for heavy duty SMA Welding as well as Air arc gouging applications.

CHOPMIG 400



This is an Energy efficient MIG/MAG welding outfit with a current capacity of 400 Amps @ 60% duty cycle. Advantages of CHOPREC Based equipment such as High Efficiency, High Power Factor (No need to connect extra Power Factor correction capacitor), Low Power consumption, Better reliability are available in this equipment.

HF 3000 / HF 3000 AD

These are DC (HF 3000) & AC/DC (HF 3000 AD) Tig control units designed to operate with any



WELDING EQUIPMENT

(NEW DEVELOPMENTS)



Welding Rectifier / Generator (DC TIG) or Welding Transformer (AC TIG) for AC/DC TIG welding. The set comes with a compact water-cooling unit making the overall equipment compact / handy to use on the shop floor.

WELDING AUTOMATION: TIG WELDING SPM

This PLC controlled automatic TIG Welding SPM is meant for Hard facing of the Cross Head Valves. The system is built with a 8 Station Rotary Table with 2 sets of fixtures at each station to accommodate two different models with zero change over time. The system comprises of TIG Welding equipment with special wire feeder, cooling arrangement, X & Y axis servo driven Torch Movement. The job needs to be manually loaded into the fixture mounted on the rotary table, which

sequentially indexes to the Welding Station. After hard facing is completed, the fixture can be unloaded during successive indexes.



BRUSHLESS ALTERNATORS : 15 KVA and 30 KVA

AWL has developed first two ratings i.e. 15 KVA and 30 KVA of Brushless Alternators as a part of total range from 15 KVA to 125KVA Power generator sets. These Alternators are basically 50 Hz, 415 Volts, 3 Phase, Synchronous type, which supply the electrical power for Industrial, Commercial and Residential applications. These are built with H class of insulation in standard frame size of 160 mm. The output supply is electronically regulated within +/- 1% by using Automatic Voltage Regulator (AVR).



DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the **Fifty-Fourth** Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March 2007.

1.0 FINANCIAL PERFORMANCE

(Rs. in Crores)

Sr. No.	Key Financial Indicators	For the year ended 31st March, 2007	For the year ended 31st March, 2006
1.1	Sales & other Income (Net of Excise Duties, Discounts & Incentives)	259.60	244.84
1.2	Surplus on sale of Properties	0.50	5.77
1.3	Profit before Interest and Depreciation	48.33	54.54
1.4	Profit before Tax	39.44	48.36
1.5	Provision for Tax (Net of deferred tax)	6.82	8.16
1.6	Profit for the year	32.62	40.20
1.7	Capital Expenditure	30.95	14.22
1.8	Capital - work in progress	3.86	5.08

2.0 DIVIDEND AND RESERVES

- 2.1 The Board of Directors is pleased to recommend a Dividend of 120 % (i.e. @ Rs. 12/- per Equity Share) for the year 2006-07, subject to the approval of the Members. Dividend for the year 2005-06 was declared at 150% (consisting of 50% Interim Dividend, 50% Final Dividend & 50% Special Dividend) i.e. @ Rs. 15/- per equity share.
- 2.2 The Dividend for the financial year 2006-07 shall be paid to those Shareholders and Beneficial Owners whose names appear on the Register of Members as on the date of the Book closure for Dividend payment.
- 2.3 The Board recommends a transfer of Rs. 10.00 Crores (Rs.15.00 Crores)* to the General Reserve, and the balance of Rs. 7.12 Crores (Rs.3.87 Crores)* for retention in the Profit & Loss Account.

* Figures in brackets indicate previous year.

3.0 OPERATIONS

- 3.1 In the financial year 2006-07, the Company posted a growth of 6 % (23%)* in the

operational & other income. The year ended with an operational & other income of Rs. 259.60 Crores (Rs.244.84 Crores)*.

The Company's Sales and income during the financial year 2006-07 comprised of the following:

- 3.1.1 Welding Consumables at Rs. 170.06 Crores (Rs. 180.07 Crores)*
- 3.1.2 Equipment & Project Engineering at Rs. 85.77 Crores (Rs. 61.53 Crores)*
- 3.1.3 Other Income at Rs. 3.78 Crores (Rs.3.24 Crores)*
- 3.1.4 The Company has sold its idle property (residential flat) at Versova, Andheri-West (Mumbai) resulting in a gain of Rs. 0.50 Crore.

- 3.2 In the financial year 2006-07 the sales turnover has grown in value terms (with quantitative growth) and the improved economic scenario should give sufficient fillip for a sustaining growth in value and quantitative terms also in the coming years.

