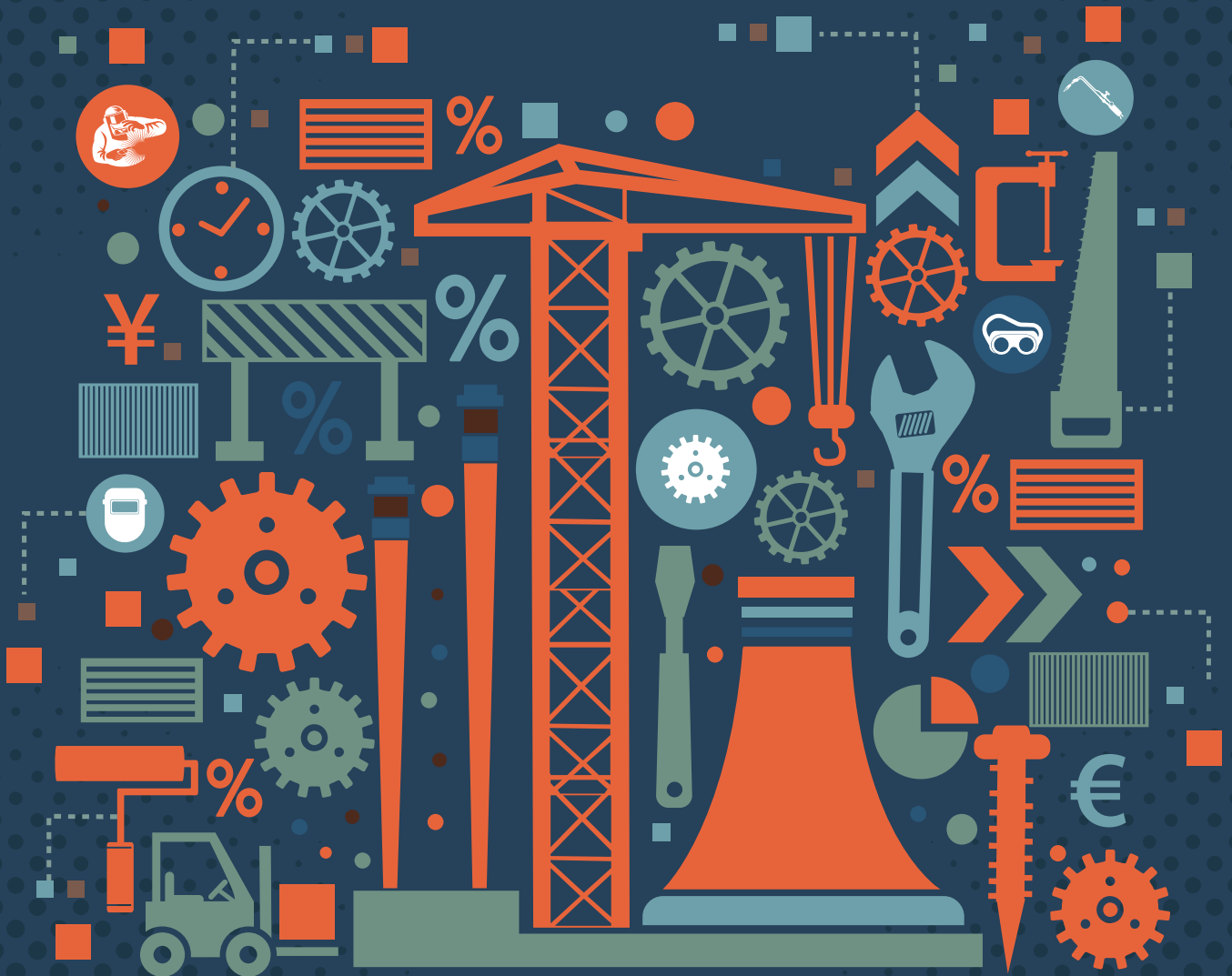


Engineering GROWTH



ADOR WELDING LIMITED

63RD ANNUAL REPORT 2015-16



WELDERS TO THE NATION SINCE 1951



ADOR WELDING LIMITED

REGISTERED & CORPORATE OFFICE

Ador House, 6, K. Dubash Marg,
Fort, Mumbai 400 001-16,
Maharashtra, India.
Tel : +91 22 6623 9300, 2284 2525
Fax : +91 22 2287 3083
Email: investorservices@adorians.com
cmo@adorians.com

PLANTS

Consumables

Raipur

Industrial Estate, Bilaspur Road,
Raipur 493 221,
Chhattisgarh, India.
Tel : +91 771 6452 201
Fax : +91 771 6542 201
Email: rpr.plant@adorians.com

Silvassa

Survey No. 59 / 11 / 1,
Khanvel Road, Masat, Silvassa 396 230,
U.T. of Dadra & Nagar Haveli, India.
Tel : +91 260 2632 287, 3258 843, 2604 477
Fax : +91 260 2632 776
Email: silvassa.plant@adorians.com

Chennai

Melakottiyur, via Vandalur,
Chennai 600 048, Tamil Nadu, India.
Tel : +91 44 2747 7116

Equipment & Project Engineering

Chinchwad, Pune

Survey No. 147/2B, Akrudi,
Near Khandoba Mandir, Chinchwad,
Pune 411 019, Maharashtra, India.
Tel : +91 20 4070 6000
Fax : +91 20 4070 6001
Email: chinchwad.plant@adorians.com

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT TEAM, BANKERS, AUDITORS, SOLICITORS AND RTA



Board of Directors

Ms. A. B. Advani
Executive Chairman
Mr. S. M. Bhat
Managing Director
Mrs. N. Malkani Nagpal^{\$}
Whole-Time Director
Mr. R. A. Mirchandani
Director
Mr. A. T. Malkani
Director
Mr. D. A. Lalvani
Director
Mr. M. K. Maheshwari
Director
Mr. P. K. Gupta
Director
Mr. R. N. Sapru
Director
Mr. K. Digvijay Singh
Director
Mr. G. M. Lalwani
Director
Mr. S. G. Mirchandani
Director

Executive Management Team

Mr. S. M. Bhat
Mr. G. A. Patkar
Mr. L. Sundar
Mr. S. S. Bhoi
Mr. V. M. Bhide
Mr. A. R. Vilekar
Mr. Manoj Pandey
Mr. R. Nath
Mr. V. Bansal
Mr. S. Ajay Kumar
Mr. S. K. Palit

Company Secretary

Mr. V. M. Bhide

Registered Office

Ador House,
6, K. Dubash Marg, Fort,
Mumbai 400 001-16,
Maharashtra, INDIA.
Tel : +91 22 6623 9300, 2284 2525
Fax : +91 22 2287 3083
Web : www.adorwelding.com
Email : investorservices@adorians.com,
cmo@adorians.com

Corporate Identification Number

L70100MH1951PLC008647

Bankers

HDFC Bank
Bank of Baroda
Kotak Mahindra Bank

Statutory Auditors

Walker Chandio & Co. LLP,
Chartered Accountants
Mumbai

Cost Auditors

Kishore Bhatia & Associates
Cost Accountants
Mumbai

Secretarial Auditors

N. L. Bhatia & Associates
Company Secretaries
Mumbai

Internal Auditors

Kirtane & Pandit LLP,
Chartered Accountants
Pune

Solicitors

Nanu Hormasjee & Co.,
Mumbai

Registrar & Share Transfer Agent (RTA)

Sharex Dynamic (I) Pvt. Ltd.,
Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road,
Safed Pool, Andheri (East),
Mumbai 400 072,
Maharashtra, INDIA.
Tel : +91 22 2851 5606, 44
+91 22 2851 6338
Fax : +91 22 2851 2885
Web : www.sharexindia.com
Email : sharexindia@vsnl.com

Board of Directors

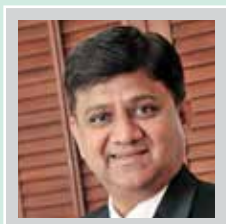
We care for the wellbeing of all our stakeholders and we are ethical and responsible in our approach to business.



Ms. A. B. Advani

Executive Chairman

- A Science Graduate (Hons) from University of Sussex and has also done Owners Management Programme from Harvard Business School and Strategic Financial Planning course from IIM, Ahmedabad
- Associated with Ador Welding Limited for over 39 years
- Associated as Chairman and Whole-time Director of the Company since 1999
- Re-designated as the Executive Chairman of the Company w.e.f. 1st May, 2004
- Area of expertise is Strategic Financial Planning



Mr. S. M. Bhat

Managing Director

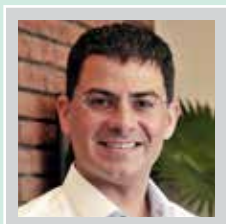
- A Bachelor in Production Engineering from VJTI of 1983 batch, he has done his post-graduation in International Marketing and Finance from International Management Institute (IMI) New Delhi, which is affiliated with Institute of Management Development (IMD), Geneva
- Nominated for Indirect Taxation Committee of Association of India Automobile Manufacturers (AIAM), Bombay Chamber of Commerce & Industry (BCCI)
- Associated with M/s. Mahindra & Mahindra (M&M) from 1983 to 2006 and M/s. Schuler India Pvt. Ltd. from October 2006 to 2008
- Currently also holding honorary post of Secretary to Association of Welding Products Manufacturers (AWPM) which promotes safety practices within user industry and Skill development for the Industry. In addition, the Association takes up all issues faced by Industry through CII with various Govt. departments



Mrs. N. Malkani Nagpal

Whole-Time Director

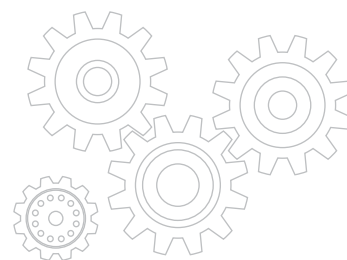
- MBA, with specialisation in Finance from Imperial College, UK; attained BSC in Business & Economics from Lehigh University, PA, USA
- Formerly associated with Alliance Capital Asset Management in New York
- Over 18 years of experience in Financial Management of Ador Welding Limited and Ador Group of Companies
- Presently heads Ador Group's parent Company, M/s. J.B. Advani & Co. Private Limited and is actively involved in new e-business initiatives of the group



Mr. R. A. Mirchandani

Director (Non-Executive)

- Is a Commerce Graduate and has a Masters Degree in Business Administration (MBA) from the Queensland University of Technology, Brisbane, Australia
- He has worked as Regional Manager South Australia & Northern Territories for M/s. Origin Energy Australia
- He has also worked as Managing Director of M/s. Cryolor Asia Pacific Pvt Limited
- Presently he is part of the leadership team of M/s. Ador Powertron Ltd. and Mack Valves Pvt Limited



Mr. A. T. Malkani

Director (Non-Executive)

- Pursued B.A. (Economics) from Oberlin College (Ohio, USA) and MBA from Indian School of Business (ISB, Hyderabad)
- Prior experience in Marketing & Finance functions of MNCs in FMCG industry. Involved across varied functions ranging from corporate marketing & exports to strategic planning & new business initiatives across Ador Group of Companies



Mr. D. A. Lalvani

Director (Non-Executive)

- A Commerce Graduate with distinction in Marketing & Advertising and Masters in commerce with specialisation in Accounting; pursued MBA from Manchester Business School, UK and did courses at London School of Economics, UK
- Formerly associated with Langham Capital, London, DHL, Europe and various NGOs
- 12 years hands on experience across reputed national and international firms
- Involved across various functions within Ador Group including strategising at Ador Welding Academy, New business ideas and e-commerce initiatives at the group



Mr. Manoj Maheshwari

Director (Non-Executive & Independent)

- Chairman of a large privately held Non-Banking Financial Company - MIPL - as well as an active Angel Investor and Venture Capitalist
- Graduate from the Bombay University with a major in Chemistry and has done his post graduation in Industrial Management
- Work experience encompasses the project management, production, marketing, financial and general management areas of medium sized companies
- Serves on the board of directors of a number of public and private companies as an executive/independent non-executive director and brings a judicious mix of entrepreneurial and professional skills to the various Boards that he serves on
- Serves as Director of Metro Shoes Limited, Mahindra Gears and Transmissions Pvt Limited and Mahindra CIE Limited, in addition to several private limited companies, he also serves a number of Board Committees



Mr. Piyush K. Gupta

Director (Non-Executive & Independent)

- An Arts & Law Graduate from University of Delhi; pursued Masters Degree in Law from Harvard Law School, USA
- Possess expertise in Intellectual Property, Joint Ventures, Corporate Governance among others
- Currently, CEO of Yumchek, an internet start-up, with the purpose to #MakeEachMealCount
- Formerly associated with various companies like UnitedLex (legal BPO) as SVP Legal Services, with UTStarcom (a telecom and internet equipment company) as Assistant General Counsel, and with O'Melveny & Meyers LLP (an international law firm) as Counsel in Washington DC

FINANCIAL SECTION

STATUTORY REPORTS

CORPORATE OVERVIEW



Mr. R. N. Sapru

Director (Non-Executive & Independent)

- B. Com (Hons.), BBA and MBA
- Commenced his career as a banker in 1985 and worked with HSBC for over 10 years before joining GE Capital, where he was internally transferred to another GE Company, IGE India as CEO
- Four years stint in the television and broadcasting sector with companies like GE (CNBC), SAB TV, Reliance Entertainment
- Was with EIH Limited (Oberoi Group of Hotels) as CEO for the Group's travel related business, Mercury Travels Ltd. for over three years
- Spent 8 Years in Executive Search in Hong Kong and India with The Executive Access Group looking at Recruitment for Leadership Roles
- In 2014, Rakesh Co- founded Executive Mantra Search Services Pvt Limited, a firm focused on Senior & Middle Management Recruitment and is the Managing Partner of the firm



Mr. K. Digvijay Singh

Director (Non-Executive & Independent)

- BA (Honours) Economics from St Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur
- 37 years of operating experience in FMCG, Television Networks, Newspapers, Sports Marketing, and Technology companies
- Has held operating responsibilities for India and International markets (UK & Europe, USA, Africa, GCC, Asia, Australasia)
- Has lived in and worked from postings in India, Nigeria, UK, and Singapore. Currently lives in and operates from Singapore
- Worked with Unilever India for 10 years in FMCG sales and marketing, and at Afcott Nigeria, and Kanmoor Foods India, before transitioning to media and technology businesses
- Worked in the media industry as Executive President of Zee TV (1992-95), CEO of Zee TV International (1996-97), Group CEO Indian Express Newspapers (1998-2000), CEO Internet Company of India (2000-01), CEO Nimbus Sport (2002-07) and CEO Nimbus Communications (2008-09)
- Independent consultant, part-time Director Nimbus Sport (2009-12), Advisory Board Euromax (2007-14), non-executive and independent Director Mercury Travels Ltd (2014-till date)
- Early investor in, and operating Head of Asia (2013-till date), at Enfold Inc, USA - a technology company offering digital file storage & management via secure online vaults
- Served as an independent non-executive Director on the Board of Thomas Cook India Ltd (1999-2006) and Ador Welding Ltd (2009-till date)



Mr. Gaurav M. Lalwani

Director (Non-Executive & Independent)

- A Masters in Commerce with Diploma in Advertising, Marketing and Sales Promotion
- Work experience of over 15 years in brand building, communication across Asia
- Regional Director at Leo Burnett- Asia, based in Singapore, and leads P&G brands for the region. His portfolio includes Skin care products (SK-II is a luxury skin care brand Asia) and Fabric care products – (Tide across Asia and Ariel in Japan)
- He has been responsible for big ideas and setting up new capabilities that have driven brand shares and profitability; these include Innovation Lab (adding creativity to product science), Trial Lab (driving Trial for brands through sampling, Content Creation / Productions (in-house content creation and production studio)
- He also leads Mobile, digital efforts and integrated content development on key P&G brands across Asia
- Partnered with some of the most prestigious marketing companies like Unilever, Citibank, Airtel, Tata Sons, Tata Motors, Accenture, Franklin Templeton amongst others during his tenure with Y&R and Lowe



Mr. Sasha G. Mirchandani

Director (Non-Executive & Independent)

- Completed Business Administration from Strayer University and MMDP program at IIM, Ahmedabad
- Managing Director and Founder of Kae Capital and Co-Founder of Mumbai Angels
- Former ventures include the following: Managing Director at Blue Run Ventures (India Operations), CEO and Founder of Imercius Technologies (BPO focussed on healthcare space), Head - Corporate Affairs and New Business at Mirc Electronics
- Key investor in Fractal Analytics, Inmobi, Healthkart, Myntra, Greendust, Cloudbyte, Canverra and Mettl
- Presides on the Board of Hathway Cable and Datacom Limited, Akasaka Electronics Limited and Mumbai Angels Venture Mentors, Governors of the Universal Business School, amongst others
- Past President of Entrepreneurs Organisation (EO) Mumbai; Chapter Member at TIE Mumbai and a member of the Mumbai Chapter of the Young Presidents Organisation (YPO)

FINANCIAL SECTION

STATUTORY REPORTS

CORPORATE OVERVIEW

Disclaimer

This document contains statements about expected future events and financials of Ador Welding Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and

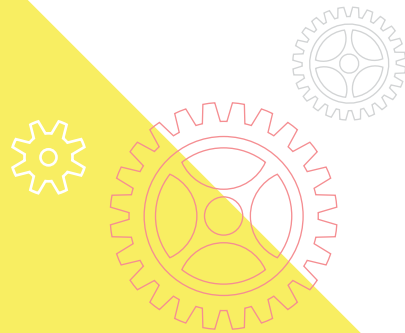
other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this

document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis Report of Ador Welding Limited's Annual Report for FY 2015-16.

Between the pages



BEING A PIONEER AND TRENDSETTER IN THE WELDING INDUSTRY, WE HAVE PLAYED A SIGNIFICANT ROLE IN BEING A PART OF INDIA'S INDUSTRIALISATION AND INFRASTRUCTURE DEVELOPMENT.



Over the last six decades, we have developed expertise in providing the finest welding consumables and equipment across varied industries.

We mastered our capabilities and enhanced our efficiencies.

We consciously invested in Research & Development and Automation systems.

We developed new products and solutions to meet a wide range of user needs in India and overseas.

Our venturing into turnkey project engineering business has further improved our market leadership.

Our focus and foresightedness has enabled us to adopt appropriate growth strategies for becoming the prominent welding solution provider to the world of engineering.





Managing Director's Review

There is no strong performance without a little fanaticism in the performer

Dear Friends,

It gives me great pleasure to report that the Company has performed exceptionally well despite economic challenges and subdued growth in the manufacturing segment.

Our passion to identify the growth areas and customer expectations has been our growth mantra. We are passionate to understand the client's requirements with sensitivity and bring to life technology-driven innovations that deliver value with efficiency. Our strong after sales service further ensures constant customer engagement to know their requirements closely. The result is 'higher customer satisfaction index' and 'differentiation' that is essential for businesses to survive and grow in a complex world.

FY 2015-16 Performance

During FY 2015-16, our revenues increased by 5.2% and reported EBITDA and PAT margins of 11.4% and 5.6%, respectively. We delivered high volumes in both consumables and equipment, further strengthening our industrial leadership. Automation business and PEB performed exceptionally owing to the launch of new products and successful commissioning of projects during the year.

Innovation and automation

Innovation is in our DNA. We have imbibed the culture of innovation among employees to constantly focus on improving our products and services. Our DSIR recognised R&D Centre works closely with our customers and delivers exceptional solutions. This makes us invulnerable to competition and helps us improve our customer relations.

Automation is our important focus area, considering the aggressive infrastructure development plans of GOI. The '**Make in India**' campaign has already started showing improvements, especially in Railways, Infrastructure and Defence sectors. We have been consciously putting our efforts towards developing products with high levels of automation. This will allow us to enhance our market share in these segments.

Macro-economic opportunities

With India's GDP growth at 7.6%, our nation is steadily outperforming other economies. With high investor sentiments, improving relations with CIS countries and the possibilities of introduction of GST bill, we envisage huge investments