



DEFINING THE FUTURE

**64TH ANNUAL REPORT
2016-17**



ADOR WELDING LIMITED

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
E-mail : investorservices@adorians.com

PLANTS Consumables

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
E-mail : silvassa.plant@adorians.com

Raipur

Industrial Estate, Bilaspur Road,
Raipur 493 221,
Chhattisgarh, India.
Tel : +91 771 6452 201
Fax : +91 771 6542 201
E-mail : rpr.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, Akurdi,
Near Khandoba Mandir, Chinchwad,
Pune 411 019, Maharashtra, India.
Tel : +91 20 4070 6000
Fax : +91 20 4070 6001
E-mail : chinchwad.plant@adorians.com
cmo@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. S. S. Bhoi
Mr. V. M. Bhide
Mr. A. R. Vilekar
Mr. Manoj Pandey
Mr. Rajendra Nath
Mr. Vineet Bansal
Mr. S. Ajay Kumar
Mr. S. K. Palit
Mr. S. A. Deshpande

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
E-mail : 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, 6338
Fax : +91 22 2851 2885
Web : www.sharexindia.com
E-mail : sharexindia@vsnl.com

Board of Directors

We care for the well-being of all our stakeholders and we are ethical & responsible in our approach towards 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 from IIM, Ahmedabad
- Associated with Ador Welding Limited for over 40 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 - General Management and 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
- Core team member of CII on welding Industry



Mrs. N. Malkani Nagpal

Whole-Time Director

- MBA, with specialisation in Finance from Imperial College, UK; attained B.Sc. in Business & Economics from Lehigh University, PA, USA
- Formerly associated with Alliance Capital Asset Management in New York
- Over 19 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)

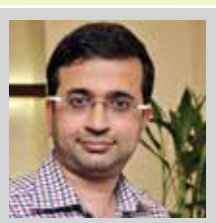
- Is a Commerce Graduate and has a Masters Degree in Business Administration (MBA) from the Queensland University of Technology, Brisbane, Australia
- He has worked as Regional Manager South Australia & Northern Territories for M/s. Origin Energy, Australia
- He has also worked as Managing Director of 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
- 13 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 a post graduation in Industrial Management
- Work experience encompasses project management, production, marketing, financial and general management in medium and large companies
- Serves on the board of directors of a number of public and private companies as an independent non-executive director bringing a judicious mix of entrepreneurial and professional skills to these various Boards
- Director of Metro Shoes Limited, Mahindra CIE Limited, RPG Lifesciences Limited in addition to several private limited companies



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
- Possesses 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

CORPORATE PROFILE

STATUTORY REPORT

STANDALONE FINANCIALS

CONSOLIDATED FINANCIALS



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, GE 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, 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 (Hons.) Economics from St Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur
- 38 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 at 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 at Nimbus Sport (2009-12), on Advisory Board at Euromax (2007-14), non-executive and independent Director at 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
- Member of Board of Governors of Spirit of Enterprise, Singapore - 2017
- 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)

- Over 16 years of brand building experience across a wide range of categories ranging from travel and tourism, automobiles, financial services, consulting, telecom, electronics to finally, FMCGs.
- Based in Singapore and works with J. Walter Thompson, one of the world's leading communications agencies.
- Heads client service for the Singapore office and is APAC business director for Johnson and Johnson.
- Responsible for capability building.
- Launched and built brands across Japan, China, Korea, Philippines, India, Thailand, Singapore and Indonesia.
- Believes big ideas can change the fortunes of brands and realizes that in today's digital world, big ideas need great content to thrive.



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, Hello English, Porter and 1MG
- 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)

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 2016-17.



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Managing Director's Review

Dear Friends,

It gives me great pleasure to report that the Company has performed well in FY 2016-17 despite economic challenges and with minimal support from the manufacturing segment.

We pursued with "customer focus" & "move fast, break barriers" mantra for growth. Innovation culture is now imbibed at AWL, at all the levels across the Company, which enables us to offer customised solutions which ultimately results into "higher customer satisfaction index". During the year 2016-17, we launched new products in welding and cutting segment to meet the latest technical requirements of the customers.

FY 2016-17 Performance

During FY 2016-17, our revenue grew by 8.3% with EBITDA and PAT margins of 9.2% and 4.2%, respectively. We delivered higher volumes in consumables that further strengthened our industrial leadership. Automation business and PEB performed exceptionally well owing primarily due to the launch of new products and successful commissioning of projects during the year.

During the year, for the first time, we ventured into a project outside India, in Kuwait, related to Oil & Gas industry, which will be completed by September 2017.

Research & Development

Our DSIR approved R&D Centre works closely in line with our customers expectations and delivers desired solutions. This makes us invulnerable to competition and aids in improving our customer relations. Our R&D setup is geared up for NABL accreditation which we expect to achieve soon. This will benefit self-certification in product testing area and will enable us to reach new products to the market faster. During the year, we developed products with greater performance / productivity in Defence, Oil & Gas, and Wind Power industries. These initiatives have enhanced our market share in varied segments.

Ador vision

We aim to become "best-in-class" enterprise known for continuous innovation in products & solutions with significant growth by FY 2019-20, notwithstanding the economic or market scenario. We will focus on sustaining the initiatives taken over the past few years, in addition to the following:

- Capitalise our customer relations, technical and manufacturing capabilities
- Build Synergies with our current capabilities and resources in order to offer new products across domestic and export markets
- Create value through forward as well as backward integration
- Imbibe innovation culture & implement advance lean manufacturing process to maximize efficiency and zero wastage
- Level workload across processes through line balancing in order to overcome bottlenecks and excess capacity
- Enhance focus on Project Engineering Business and strengthen the customer base
- Strengthen IT for implementing digitisation across processes and systems
- Level workload across all processes through line balancing so as to identify bottlenecks and excess capacity
- Enhance focus on Project Engineering Business and strengthen the customer base
- Strengthen IT for implementing digitisation across our processes and systems