

M/s Ador Welding Limited

TRANSCRIPT OF THE 67TH ANNUAL GENERAL MEETING OF ADOR WELDING LIMITED HELD AT 11.00 A.M. IST ON TUESDAY, 22ND SEPTEMBER, 2020 THROUGH VIDEO CONFERENCING

Ninotchka Malkani Nagpal:

Good Morning Everyone. I welcome you all to the 67th AGM of your company.

I hope all of you are safe and keeping well during COVID time. This is the first time we are having AGM online. This Annual General Meeting is being held through video conferencing in accordance with the circular and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI).

Now, I request my colleagues, who are joining me today from their respective locations, to introduce themselves. I will just call out their names and we can mark your attendance:

1. Mr. Aditya Malkani, Managing Director, attending from the Head Office, Mumbai.
2. Mr. Deep Lalvani, Whole-Time Director, attending from Mumbai.
3. Mr. Ravin Mirchandani, Non-Executive Director, attending from Pune.
4. Ms. Tanya Advani?

No Answer

I will just skip to someone else since Tanya couldn't be approached right now..

5. Mr. Manoj Maheshwari, Independent Director, attending from my residence in Mumbai.
6. Mr. Digvijay Singh, Independent Non- Executive Director, attending from my residence in Singapore.
7. Mr. Sapru?

No Answer

Okay, I am going to carry on for now and come back later then..

8. Mr. Piyush Gupta, Hi, Good Morning everybody, this is Piyush Gupta attending from Gurgaon. Thank you.
9. Mr. Gaurav Lalvani, Hi, Good Morning everyone, I am Gaurav Lalvani Independent Director attending from my residence in Singapore.
10. Mrs. Nita Dempo Mirchandani?

No Answer

Okay so let me just call out once more to people whom we couldn't connect with earlier.

Mr. Tanya Advani, are you online?

****No Answer****

Mr. Sapru?

****(_NSDL Support_ answering to Mr. Saplu's whereabouts) 'Mr. Saplu has joined but he is facing some bandwidth issues, so he would be joining again'****

Mrs. Mirchandani?

****No Answer****

Its fine! I am sure there are some technical glitches so we will just carry on with the proceedings on this meeting, if that's fine with everybody else!

In addition to the panel that we have today we also have...

11. Mr. Khushroo Panthaky and Mr. Mehernosh Amaria from M/s. Walker Chandiok & Co. LLP, they are our Statutory Auditors.
12. Mr. N. L. Bhatia, from M/s. N. L. Bhatia & Associates, Secretarial Auditor have also joined us today at the AGM.

The time has passed 11, and I would like to call the meeting to order. We have a requisite quorum present. The Company has received 1 Board Resolution for Corporate Representative totaling to 68, 00,531 equity shares.

Now I would like to request Mr. Bhide, Company Secretary, to read the arrangements made for the members at the 67th Annual General Meeting.

V. M. Bhide:

Hello everyone... Good Morning and welcome to the 67th AGM at Ador Welding Limited.

The Company has enabled the members to participate in the 67th AGM through video conferencing facility provided by NSDL. The proceedings of this Meeting are also being webcasted live for all the Members, as per details provided in the Notice of the AGM. The proceedings of this meeting are being recorded for compliance purposes.

Pursuant to Section 108 of the Companies Act, 2013, the Company's Management and Administration Rule, 2014, Regulation 44 of the SEBI Listing obligations and Disclosure Requirement Regulations, 2015 the member have been provided the facility to exercise their right to vote by electronic means, both through remote e-voting as well as through e-voting at the AGM, by the company through NSDL.

We had initiated e-Voting during the period starting from last Saturday, 19th September 2020, at 9 A.M, until Monday, that was yesterday, until 5 P.M. We completed yesterday, the e-voting process.

However, the members who couldn't have voted through remote e-voting and who are present today may also kindly cast their votes through through e-voting at the end of the AGM.

All members are requested not to cast their votes if they have already voted, through remote e-voting as their votes will not be counted if they vote today.

The company has received request from shareholders to register them as speakers in order to ask questions and raise queries, if any, at this meeting.

Accordingly the Moderator will facilitate this session once the Chairman opens the floor to all the members. The same will be dealt with towards the end of this session.

All the statutory registers as required to be kept at the AGM, including the Registers of Directors and KMPs (Key Management Personnel) and their shareholding; pursuant to Section 171, of the Company's Act, 2013; with the register of contracts & arrangements, in which Directors are interested, pursuant to Section 189 of the Companies Act, 2013 are open for e-inspection by the Members. Members seeking to inspect such documents can send an email to investorservices@adorians.com; that's the dedicated email id for the investors.

M/s. Hemanshu Kapadia & Associates, practicing Company Secretary, has been appointed as scrutinizers, to scrutinize the e-voting and remote e-voting process in a fair & transparent manner.

The results of voting on the resolutions will be announced within 48 hours, on the website of the company: www.adorwelding.com, and also to the NSDL, as well as will inform to the Stock Exchanges.

Mr. Hemanshu Kapadia, from M/s. Hemanshu Kapadia & Associates, who is the Scrutinizer is also present with us here today.

Now, I request Mrs. Ninotchka Malkani Nagpal, our Executive Chairman, to address the shareholders and continue the proceedings of the meeting.

Ninotchka Malkani Nagpal:

Thank you, Mr. Bhide. Members, with your consent, I propose the notice of the 67th Annual General Meeting, which was sent by electronic mode, to its members whose email address is registered with the company or Depositories or RTA and are made available. These documents have also been made available on the Company's website, and on the website of the Stock Exchange, which is BSE and National Stock Exchange (NSE) be taken as well.

The Statutory Auditory report for the financial year 2019-20 does not contain any qualifications or adverse remarks. Hence, pursuant to provisions of the section 145 of the Companies Act 2013 read with Secretarial Standard (SS-2), the said Auditors Report is also not required to be read. The Secretarial Audit Report for the financial year 2019-20 also did not contain any qualifications and hence pursuant to the provision of the secretarial standard, the same is also not required to be read.

Now, I am just going to jump in to my speech.

Thank you all for being here today electronically, for the 67th Annual General Meeting of our company. To quickly give you a review of this financial year 2019-20, the 67th Annual Report including the Director's Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2020 in electronic form, is available with you for some time now and with your consent I shall take it as read.

The last 6 months, the world has been gripped with COVID 19 and all corporate across the world have endured turbulent times. However, the last financial year, FY 2019-20 has been a good year for Ador Welding; we have set new benchmarks, in terms of production and revenue. Production of welding consumables increased from around 35,400 MT in FY 2017-18 to around 38,000 MT in FY 2018-19. The Company has sold around 8,500 no. of welding machines in FY 2018-19 as compared to 6,500 no. of machines in FY 2017-18, amounting to approximate growth of about 30%.

In FY 2019-20, the Company produced over 44,000 MT of Welding Consumables and approximately 9,000 no of Welding machines, despite losing fifteen days of production in the month of March 2020 due to national lockdown that everyone witnessed.

The Company has improved its market share in the consumables section from 18% to 20% and in the Equipment segment from 11% to 12% approximately, over the previous financial year.

With respect to the Project Engineering Business of the Company (PED Section), it is facing headwinds on account of liquidity constraints and de-leveraging by the Private Sector, resulting in sluggishness in investment activity. However, we hope that once investment activity starts improving and picking up in real economy of the country, it will provide opportunities to the Project Engineering Business.

Now to give you a little overview of our Board of Directors. There have been a few important strategic changes on our Board recently. Allow me to highlight the same:

Mr. Satish Bhat is no longer the Managing Director effective September 7th, 2020. The Board of Directors, on the recommendation of the Nomination & Remuneration committee has re-designated & appointed Mr. Aditya T. Malkani as MD effective September 14th, 2020 for a period of three (3) years, which is subject to the approval of the shareholders at the next Annual General Meeting.

What I would like to stress on here is that there is complete alignment in strategy, objective and philosophy of our Company, and I look forward to working with Aditya to take our company to soaring heights.

In other news, the last year Ms. Aruna B. Advani superannuated on 18th November, 2019 after completing 37 years of service onto the Board of the Company. We take this opportunity to wish Ms. Aruna B. Advani great success & good health on her journey ahead.

With the superannuation of Ms. Aruna B. Advani, Executive Chairman, on 18th November, 2019, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, re-designated & appointed Mr. Deep A. Lalvani, as the Whole-Time Director of the Company for a period of three (3) years w.e.f. 19th November, 2019, subject to the approval of Members / shareholders at today's Annual General Meeting.

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Ms. Tanya H. Advani as an Additional Director (Non- Executive & Non- Independent) with effect from 19th November, 2019. In terms of Section 161 of the Act, Ms. Tanya H. Advani

holds office up to the date of this Annual General Meeting and will get appointed as the Non-Executive Director subject to the approval of the Members / Shareholders at today's Annual General Meeting.

Mr. Sasha Gulu Mirchandani, Non-Executive & Independent Director, tendered his resignation on & w.e.f. 07th February, 2020 due to pre-occupation. Mr. S. G. Mirchandani was appointed as an Independent Director on the Board from 10th November, 2014 and was on the Board for over 5 years. We place on record, our appreciation for the contributions of Mr. S. G. Mirchandani, during his tenure as Independent Director.

Mr. M. K. Maheshwari, a Non-Executive & Independent Director, has reconsidered his decision and subsequently communicated his availability to continue as Non-Executive & Independent Director, till his superannuation, if re-appointed. The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, re-appointed Mr. M. K. Maheshwari as the Non-Executive & Independent Director with effect from 28th July, 2019 up to 22nd August, 2022, which is the date of his superannuation, subject to the approval of the Members / Shareholders at today's Annual General Meeting.

On the recommendation of the Nomination and Remuneration committee, the Board of Directors of the Company appointed Ms. Nita Dempo Mirchandani as an Additional Director (Non-Executive & Independent) with effect from 1st April, 2020. In terms of Section 161 of the Act, Ms. Nita Dempo Mirchandani holds office up to the date of this Annual General Meeting and will get appointed as Non- Executive & Independent Director subject to the approval of Members / Shareholders at today's Annual General Meeting.

Now, to talk a little bit about the Outlook & the Economy: The pandemic unexpectedly hit us in March this year and it has pretty much derailed the economic growth engine and brought it to a grinding halt. The Government had declared a lockdown of all business, social, economic and political activities, which continued for more than four months with almost no economic activity. With the lockdown opening up in phases, the economy is slowly limping back but I believe that it will take another six months for complete normalcy to return. The negative growth of 4-5% this fiscal, will affect production and sales across sectors. We are looking at challenging year ahead with a need to re-calibrate our business plans keeping in pace with the fluid situation.

Despite all the challenges, the Company achieved a net turnover of around Rs. 55 Crore in the first quarter of FY 2020-21 and a PBT of Rs.19 Lakhs. We expect Sales to pick up in the second half of the current financial year, due to easing of lockdown & sentiment.

Now we will talk more specifically on the Welding Industry: In spite of being in the middle of the COVID pandemic and negative economic growth, we are hoping that there is a sharp recovery is expected next fiscal and Investment planned by the Government of India in Infrastructure, Defense & Railways etc., growth in the cargo movement, resumption of CAPEX in Oil & Gas, Heavy Engineering, Automobiles, etc. offers promising & optimistic future for the welding industry and is expected to drive demand for our products.

Risks, such as the outcome of the US Presidential election and the Indian & global response to China may have an impact on world economic growth, posing a threat to exports & imports, FDI inflows and value of rupee. We hope to manage risk effectively while minimizing any impact of the above factors.

Given the current situation, the Company has outlined a road map with the following Business Priorities which I would like to share with you! We hope to achieve:

- Prudent Cash flow management;
- Strengthen supply chain for meeting increasing demand;
- Increase manufacturing productivity;
- Strategic associations in new product launches;
- Exploring new geographies;
- Expand Project Engineering Business offerings by adding new products & increasing customer base and
- Digitization of key business processes.

In the Innovations & New Product Developments Branch our R&D team has developed several new products and improvised on existing products, with new look & features. A few of our new Product Development initiatives have also been cited in the 67th Annual Report. We are now able to shrink the time taken to launch the new products, gaining a competitive advantage & edge in the market place.

Ador has a robust Corporate Social Responsibility (CSR) policy, has taken initiatives and implemented programs, such as creating employment opportunities by providing education in welding for economically weaker sections of the society, providing safe drinking water, sanitation facility and providing educational opportunities to the needy.

Due to national lockdown, there is an unspent amount of Rs. 3.61 Lakhs, which was reported by the Company at the last financial year ended 31st March, 2020. However, we are committed to continuously explore new opportunities this financial year subject to cash flow.

With this, I would like to end my speech. This financial year 2019-20 has been a productive year and I thank the entire Ador team for this. On behalf of the Board of Directors, I extend my thanks to our Shareholders, Customers, Dealers, Distributors, Suppliers, Bankers and Government agencies as well.

Thank you and stay safe!

Now I am going to go ahead and proceed with the Business of the meeting today. The resolutions as stated in the 67th AGM Notice will be taken up for e-voting. However, we won't be taking names of the proposer and the seconder, for the said resolutions, as the same is not required by law.

So now coming to Shareholder questions. We have a list of the shareholders who have registered themselves for this AGM and who would like to speak. I will quickly read out a few rules, which we need to adhere to because we are online for the smooth functioning of this meeting.

- First is the Q&A session will be anchored by the Moderator, Ms. Mrunal and she will call the pre-registered speakers to come one by one and speak.
- Members are requested to un-mute their microphones before speaking, and also enable their webcams if they wish to appear on video.
- Members are requested to state their full name, folio number, client id and their location.
- The Members are requested to restrict their questions to two minutes please, so that all the speakers could get an opportunity to share their views.
- The Members are requested to not repeat their questions so there's some time spared, and we get a fair chance for all the speakers to speak.
- If any speaker gets disconnected due to the connectivity issues we shall proceed with the next speaker. The said speaker will be connected again, if possible.
- It must be noted that the company reserves the right to limit the number of member's asking questions depending on the availability of the time at the AGM.
- The answer to all the questions will be given at the end of the Questions.

I would like to request the Moderator Mrunal to commence the Q&A session.

Mrunal (Moderator):

Thank you madam!

Good Morning Members, I am your Moderator for the Q&A session. Our first speaker is Mrs. Ashalata Maheshwari. Mrs. Ashalata Maheshwari, you are being placed in the meeting & I request you to kindly un-mute your audio, start your video and ask your question.

Ashalata Maheshwari:

Hello, this is Ashalata Maheshwari; am I audible to you Mr. Chairman?

Ninotchka Malkani Nagpal:

Yes, we can hear you, please ask your question.

Ashalata Maheshwari:

This is Ashalata Maheshwari. The way this company was incorporated in 1951 and suddenly it grew into one of the leading companies in the Welding Industry. With your team in this challenging Business Environment, especially in this global pandemic of COVID-19, you were able to accelerate the growth so that shareholder value could be enhanced was very commendable, really Mr. Chairman Sir!

I would also like to add in here that my relation with this company is very old; I have never missed out on a single meeting and I feel happy that I got this opportunity to be the first speaker today.

All I wish to add here more is that we have had a very long association with you; I hope this bonding continues to grow for the years to come. *'Zindagi guzar jaye par aapse pyar mera kabhi kam na ho, Yaad hume rakhna chahe pass hum na ho, kayamat tak chalta rahe ye pyaar ka rishta; khuda kare aap sab se kabhi mera pyaar cum na ho'*.

This fantastic and mind-blowing balance sheet in the history of this company I would like to thank Mr. Bhide and this whole team, along with whoever has contributed in this achievement creating this balance sheet; it reminds me of how Valmiki wrote 'Ramayan'; I truly appreciate the balance sheet produced by the company this year.

Keeping in mind such a complicated scenario, in order to marginally increase the total income, PBT & Tax were on the lower side, you still were able to provide the shareholders with 65% Interim Dividend; you took really good care of them by saving them from spending on Dividend Tax. Thank you so much for taking such a good care in this way.

If you ask me, I feel really proud that again Mrs. Nagpal has been re-elected as our Chairman. I would like to welcome her heartily; I wish I could've welcomed her with a garland of flowers but since the whole nation is undergoing difficult times I couldn't do the same; at this moment I am quiet far from you guys. Though I couldn't welcome you personally but I wish to tell you that I love you with all my heart. All I could say for you is that, you are brilliant and very experienced as I have been seeing that since so many years. I think you look like the heroine, Kalki Kochlin; you have the same hair and features, the only difference is that she has a smiling face while you look very serious most of the time, as I could see that now as well as in your pictures. For you I would like to add here: '*Aisi kya dua dein hum aap ko jo aap k labo par hassi k phool khila de; buss yahi hai duwa humari khuda se k sitaro se bhi roshan aap ki taqdeer bana de.*' Next year I would like your picture to be one where you are smiling.

I read the letter from our smart M.D. Mr. Bhat where he has very clearly explained to us the adverse effects of COVID. He has also informed about the future initiatives taken plus what all strategies for growth they have engaged into, so that both the segments of our company remain well-performing, in order to maintain company's leadership plus brand value. I can sense our MD's happiness after winning the battle against COVID, though I will have to add here that I am not able to see MD sir anywhere on the screen.

Mrs Ninotchka Malkani Nagpal:

MD sir is present here in the meeting only. Although I would like to add here that Mr. Bhat is no more our MD and so here is our new M.D., Mr. Aditya Malkani.

Ashalata Maheshwari:

Okay. I can see you smiling sir, just like Mr. Bhat only!

Ninotchka Malkani Nagpal:

Yeah, he has a smiling face.

Ashalata Maheshwari:

And on the side I could see you smiling as well, today; I am really happy to see you smiling, and I want to see you like this in the next Balance Sheet as well.

After I saw Mr. Bhat's picture I felt really good, he seemed quite happy in the picture. For him I had written a few lines as well, though our new M.D. is also smiling here so I believe the same will apply to him as well.

'Aap k didar ko nikal aae hain tare, aap ki khushboo se cha gayi hain baharein; aap k saath kuch dikhate ye aise nazare ki chup-chup kar chand bhi bus aap hi ko nihaare.'

I request the new M.D. to put up his picture with a smile, like you are smiling right now.

Following are my queries from the Board:

- This year CAPEX was at Rs. 19.41 lakh so what's the target for CAPEX in the current year?
- At present how many orders have been taken from rising consumable equipments and in project engineering?

I would like to add here that we have full faith in the management; I feel it is an absolutely clean and transparent management that we have here. I hope that innovations with latest technology will accelerate the growth in the future.

I salute all the employees and the executives who are risking their life on a daily basis for company's growth and success. I would like to commend Mr. Bhide, our Company Secretary; he is very sweet spoken and experienced; he is highly respectful in his manners. He has given me more respect than my son, and so however blessings I give to him will not suffice. I have just two words for Mr. Bhide: *'Kamal k phool, tumhe gulab kehte hain; hum toh tumhe lajawab kehte hain'*

I feel really fortunate for having Mr. Bhide like secretary with us. My best wishes to the company for its future endeavours. I will keep presenting myself in these meetings as long as I am alive and healthy. With strong support and best wishes to the board I would like to add these last lines at the end: *'Kisi ko Phool mile, kisi ko phoolon ka haar mile; meri khuda se duwa hai k aap sab ko 100 saal ki lambi aur sukhi aayu mile'*. I strongly support you all. Thank you.

Mrunal (Moderator):

Thank you, Mrs. Maheshwari. Our next speaker for the day is Ms. Lekha Shah. Ms. Lekha Shah, you are now being placed in the meeting; I would like to request you to kindly un-mute your audio and start your video to ask your question.

Lekha Shah:

Can you hear me ma'am?

Ninotchka Malkani Nagpal:

Yes, we can hear you Ms. Shah.

Lekha Shah:

Thank you ma'am!

Good morning respected Chairperson Ma'am, the Board of Directors and my fellow Members. Myself Lekha Shah, and I am from Mumbai. I am very much thankful to our Company Secretary, Mr. Bhide for ascending very good investor services, and also sending me the Annual Report via email well in time, in such a difficult situation; the report was full of knowledge, facts and figures in place. Due to this pandemic COVID-19 we all are facing crisis, and how to stay at home.

Thank you, ma'am, for explaining so well about the company. Congratulations to all for the excellent work done, ma'am.

This is the first time we are joining the video conference or giving speech to us. A week ago and today also our Company Secretary, Mr. Bhide has given telephonic guidance and proper induction for attending the video conferencing. Also, he not only keeps in contact during the meeting but he is always in contact with us. I am very grateful to our Company Secretary, Mr. Bhide.

Our company has played a significant part in the country, industrialization and infrastructural development; this company has played a huge role in the field of development. It is very good to see that our company's trains for Community Empowerment through Socio-Economic Development for the under-privileged and marginalized safety of the society care by raising the country's Human Development Index.

Our company has been doing an amazing job in the field of CSR activities, whose focused areas are eradicating hunger and malnutrition, promoting education, promoting gender equality, women empowerment and much more. Keep up the good work, please ma'am.

Ma'am, I am confident that with your vision and determination you will lead our company to greater heights. Also, I pray to god that our company should progress more and more, under you and your team.

I would like to ask few questions:

1. How is the company preparing in a post-COVID world?
2. What are the learning's from the lockdown, and how is the company implementing those learning's?
3. How are we engaging all the employees?

I would like to say that I support all the resolutions, and wish you good luck for the future.

Thank you ma'am!

**Mrs. Ninotchka Malkani Nagpal – Mrunal go can carry on*

Mrunal (Moderator):

Our next speaker is Ms. Apsi Besania. Ms. Apsi Besania you are now being placed in the meeting;

I would like to request you to kindly un-mute your audio, start your video to ask your question.

Ms. Apsi Besania, can you hear us?

V.M. Bhide:

Hello Apsi!

You can take him later..

Moderator:

Yes, we will take him later.

We will proceed with our next speaker, Mr. Rajendraprasad Joshi. Mr. Joshi you are now being placed in the meeting; Request you to kindly un-mute your audio and start your video to ask your question.

Hello, Mr. Rajendraprasad Joshi?

Ninotchka Malkani Nagpal:

Mrunal, let's go to the next speaker then.

V.M. Bhide:

Yeah, I agree.

Moderator:

Okay ma'am.

Our next speaker is...

Mr. Joshi, can you hear us?

V.M. Bhide:

Hello, Mr. Joshi?

Mrunal, I don't think he is connected with us.

Mrunal (Moderator):

Okay, we'll proceed to the next speaker, who is Mrs. Homayun Pouredehi. Mrs. Pouredehi, you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Homayun Pouredehi:

Can you hear me?

V.M. Bhide:

Yes, we can hear you.

Homayun Pouredehi:

Good morning everybody. We are missing a physical AGM where we used to meet you all personally.

Now, just a few questions I have but before that I would like to say that we are very proud that our Welding division is doing so well. My question is:

1. Do we come under Essential Services; does any of our product or activities come under essential services? If yes, then that means our factories should run.
2. During the lockdown was the factory closed? If yes, then what was the loss incurred due to the closure of the factory.
3. I heard ma'am said that we still made some revenue/ profit during the first quarter; that was wonderful, what we heard just now.
4. What is the status now, we would like to know like are all our factories running at their full capacity now?
5. I even heard about exports, I would like to know to which country we are exporting to? Of

course, as ma'am announced that it depends on the political situations of the world. We hope that the situation stabilizes and exports improve.

6. Are we importing any raw materials from China? I would like to know.

We are really proud of our company; we have known them since decades. We even know the Company Secretary and the entire Secretarial team very well. And oh my god, they have been after us relentlessly to come to this speaker's platform; I think visual conferencing is more difficult than holding the physical AGMs, as it depends on so many factors and we have to go through so many procedures.

Now we are supporting all your resolutions and wish the company all the very best. I am handing over this call to the next speaker, who is Mr. Behroze Swamroj Pouredehi.

Behroze Swamroj Pouredehi:

Respected Ma'am and other distinguished Directors; my name is Behroze Swamroj Pouredehi. Sir, we are very grateful to Mr. Vinayak Bhide for having made this possible to attend this virtual AGM because it was very difficult to attend this AGM.

Now, Mr. Joshi and Mr. Aspi were not able to join this call, but we are at least able to join the meeting; thanks your Secretarial team that comprises of Mr. Bhide, Mrunal and all the other Secretarial team.

Madam, everything was very helpful and I don't want to ask any questions because we are very proud that you have given the dividend before 31st March, when it was exempted from TDS. Otherwise, if we had received it after March, 31st the TDS would've been deducted at the rate of 7.5%.

Ma'am, we are also very happy that Mr. Satish Bhat was managing our company up to September, and now this dynamic and young fellow has taken over. We are very proud that our company will go to the full front, and will do better and better in these coming years. We hope that you will keep on giving more divisions.

Ma'am, we support all your resolutions. We wish our company all the best. Thanks to your Secretarial Team, especially Mr. Vinayak Bhide who is very dedicated and a helpful Company Secretary.

Thank you very much, may you prosper more and more in the days to come.

Mrunal (Moderator):

Our next speaker for the day is Mr. Bharat Shah. Mr. Shah you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Bharat Shah:

Hello! Am I audible?

V.M. Bhide:

Yeah, we can hear you.

Smita Shah:

Respected Chairperson Madam and the Directors, I am Smita Shah.

Good Morning and Namaskar ma'am.

During this COVID period I am missing meeting you all personally, but it's nice to be connected to you all through Video Conferencing. Hoping you all are safe and healthy; in the current scenario staying at home is the best and safest option. I pray to god this situation passes us as soon possible, so that we could've have face to face meeting in the next year's meeting.

I would like to congratulate you ma'am especially, since in spite of this global pandemic situation you faced grave problems and challenges but still you managed to take the company further, with better performance, into the future. Share prices are going good; you have taken good care of your shareholders. Thank you for managing to earn dividends to us!

I really commend your leadership, along with Mr. Satish's support, in addition to the hard work, determination and contribution of all the employees. I have always supported you and would do the same by giving my support to all the resolutions mentioned today.

My best wishes with the team. May god be with you, and take you to the new heights so that the company grows day by day, to the new heights. I wish that you take the company in the future to bigger growth and accomplishments, so that you could also give to your shareholders 'One-plus-one Bonus' as soon possible.

Thank you for all the support we got for connecting to today's Virtual meeting, for making an attractive Balanced Sheet. I really appreciate how well you attend to your Shareholders, how with kind and respect you treat the shareholders and with always a smile on your face. I would like to thank our Company Secretary, Mr. Bhide, and also Ms. Mrunal for always being there in resolving our queries and supporting today with this Virtual Meeting today. In addition, I would like to thank the Accounts and IT team for their efforts.

My best wishes to all. Stay home, stay safe!

Thank you.

Here's Mr. Bharat Shah, I am transferring this call to him now.

Bharat Shah:

Hello. Am I audible ma'am?

Ninotchka Malkani Nagpal:

Yes, we can hear you.

Bharat Shah:

Hello to the respected Chairperson ma'am, M.D. Shri. Bhat, and to all the Directors. My name is Bharat Shah. My have no queries today for you because since always you have managed this company in an organized manner, have taken this company to newer heights; everything is growing well, the dividend is also satisfactory. The company has always given respect to its shareholders, and have worked towards the benefitting the shareholders, so for that please accept my heartfelt gratitude towards you all. I feel very grateful to you ma'am, the M.D. & to all the Board of Directors, and the employees of the company.

A big thank you for ensuring that all the activities are working smoothly in the current scenario, in addition to all the hours and efforts put in by each and every one of you.

I would like to extend here my accolades to the Secretarial Department for working very efficiently and in an organized manner. I especially want to thank the Company Secretary, Mr. Bhide & Ms. Mrunal, along with their entire team for always treating the shareholders with utmost respect and resolving their queries in time. For the first time this Video Conferencing in happening so I want to thank Mr. Bhide and Ms. Mrunal for organizing it so well.

I wish to meet you all face to face, after COVID-19 pandemic wave has passed. You have all my support. Thank you very much. Jai Hind!

Mrunal (Moderator):

Our next speaker for the day is Mr. Yusuf Rangwala. Mr. Yusuf Rangwala you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Yusuf Rangwala:

Respected Ma'am can you hear my voice. Good Morning to you all; I am so thankful to Mr. Bhide. Respected Ma'am. Good Morning Ma'am; I am so thankful to Mr. Bhide. This is a first meeting that I am seeing on Zoom; it's a different experience for me ma'am since other all virtual meetings that I have attended were on Webex while this is on Zoom, so in this we are getting direct meeting. Also, 65% dividend at Rs.10/- shares is very excellent! Ador Welding doesn't require anything, just your name is enough; wherever you ask for it you will get the product since its available anywhere. Its NET sales is Rs.54.86 Crore, down by 57%, 67 as mentioned in the month of June. Considering this you still gave the dividend ma'am.

Hello. You are hearing me ma'am?

Ninotchka Malkani Nagpal:

Yes, we can hear you.

Yusuf Rangwala:

This dividend is actually good ma'am.

I would like to know the following:

1. Whether the factories were working during these four months lockdown period of April, May or June?
2. When did the factory started, July or August?
3. Are there any people who were affected from this COVID-19 pandemic; we have around six factories?
4. When are you thinking of arranging Factory Visit, after COVID-19?

Lastly, I want to thank Mr. Bhide for his excellent support and help with everything. He is always smiling, and with that I wish to add few lines here: '*Chand k bina chandani, aur Vinay Bhide k bina company adhuri si hai*'. Until Mr. Bhide is there we don't have any concerns about the company. Jai Hind. Jai Maharashtra. Vande Mataram. Bharat Mata ki Jai. With that, I end my speech here.

Mrunal (Moderator):

Our next speaker for the day is Ms. Vasudha Dakwe; Ms. Dakwe, you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Vasudha Dakwe:

Hello. Can you hear me.

Very Good Afternoon respected Chairman Madam, the Board of Directors and my fellow Shareholders.

I would also like to congratulate my company's secretarial team for sending me the soft copy of the report well in advance, which in itself is clear and transparent.

I would like to know the following:

1. What's your next two to three years CAPEX?
2. What is company's policy regarding our current employees, those who are working from home and those who are on temporary/contract basis? Are you planning to give me any layoff policy?

With this I would like to say that I support all the resolution.

Thank you very much.

Mrunal (Moderator):

Our next speaker for the day is Mr. Anuj Sharma; Mr. Anuj Sharma you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Ninotchka Malkani Nagpal:

One second! Mr. Anuj Sharma has already sent his questions, right?

Anuj Sharma:

Ya Ma'am Am I audible?

Ninotchka Malkani Nagpal:

Of course, you are.

Anuj Sharma:

I have sent in my questions, I would really appreciate if the management could answer them one by one. I really thank you for the way this meeting has been set up. I would look forward to those answers.

Ninotchka Malkani Nagpal:

Absolutely! We would answer them all at the end of the Q&A.

Anuj Sharma:

Thank you so much.

Ninotchka Malkani Nagpal:

Thank you.

Mrunal (Moderator):

Our next speaker for the day is Mr. Vaibhav; you are now being placed in the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Ninotchka Malkani Nagpal:

Even Mr. Badjatya has sent in his questions in writing, so is there anything that you would like to add Mr. Vaibhav?

Vaibhav Badjatya:

No, those are my only questions. I request you to answer them point by point and not to group the questions as much possible, then that would be really helpful.

Ninotchka Malkani Nagpal:

I will specifically answer your questions, no problem!

Vaibhav Badjatya:

That's it from my side. Thank you.

Ninotchka Malkani Nagpal:

Mrunal, who else are remaining?

Mrunal (Moderator):

We are just trying to reconnect with our previous speakers. We will try to reconnect again with Mr. Rajendra Prasand Joshi. Mr. Joshi, you are now being placed into the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Rajendra Prasad Joshi:

Hello. Can you hear me ma'am. Thank you ma'am. At first I couldn't un-mute this call, that's why I missed the call.

Can you hear me ma'am?

Ninotchka Malkani Nagpal:

Yes, we can hear you.

Rajendra Prasad Joshi:

I am not able to hear you, can you hear me?

Mrunal (Moderator):

Yes, we can hear you. Please proceed.

V. M. Bhide:

Yes Mr. Prasad I can hear you but there's is disturbance in between, your voice is cracking a bit.

Rajendra Prasad Joshi:

I can't hear you!

V. M. Bhide:

Mr. Joshi? Your voice is cracking a bit. We can't hear you fully.

Rajendra Prasad Joshi:

Should I continue sir?

V. M. Bhide:

Yeah, you go ahead if everything is fine, else we will move on to the next speaker.

Rajendra Prasad Joshi:

Hello Vinay?

V. M. Bhide:

We can't hear you properly Mr. Joshi.

Aditya Malkani:

I think due to certain network issue it might be best Mrunal to move to the next speaker and get Mr. Joshi's questions through chat or something!

Mrunal (Moderator):

Mr. Rajendra Prasad Joshi, you can kindly email us your queries and we'll take them up from there itself!

Rajendra Prasad Joshi:

Okay. Thank you!

Mrunal (Moderator):

The next speaker for the day is Mr. Sharad Kumar Joshi; Mr. Joshi you are now being placed into the meeting; I request you to kindly un-mute your audio and start your video to ask your question.

Sharad Kumar Joshi:

I am not able to hear you ma'am.

V.M. Bhide:

Is that Mr. Sharad Kumar Shah?

Mr. Sharad Kumar Shah are you there.

Sharad Kumar Shah:

Can you hear me sir? Sharad Kumar Shah this side.

Ninotchka Malkani Nagpal:

Yeah, go ahead.

Sharad Kumar Shah:

I will start the video as well, if its okay?

Ninotchka Malkani Nagpal:

Yes, please.

Sharad Kumar Shah:

Firstly, I will not talk on financial figures because I am very happy that our results are excellent.

I first want to start with you, that you did Production Engineering in 1983 and I am not aware whether Bachelor's course was available then since in 1970 Mr. Francis was conducting Post Graduate Diploma course in Production & Engineering, but what happened afterwards I don't know.

What I basically see in the market today that is Rs.252 Crore, which is at its lowest in five years; in the Balance Sheet there's no comparison available. See, this is a very old company that its equity history is not available so how the share prices have fallen down and how our market pace has come down, that I am not aware of. The share prices has not fallen much in this financial year, but the NET worth of the market cap has fallen down very substantially, which is lowest in five years.

My suggestion is that, if you put up information like Equity History in the Balance Sheet, because it's a very old company, then only we will come to know what exactly happened with the market cap.

Another thing, our capital is very small and we are doing well financially; why not to think of reducing this value to one by reduction of share capital like Colgate. Whether this is advantageous to the company or not only you can know.

Another thing that I noticed is that you have got different products that you have described here, like the CHAMP100, ADOR400, 302; which are the smallest and the cheapest models should be added so that we can use it at home.

Another thing which I observed was that the Debit Equity is so free then why secure and unsecured loan appears in the balance sheet, that's not very clear.

Another thing is that the Revenue from consumable is 405, From Equipment and Project is Rs. 1.2 Crore; so this you have given segment-wise particularly but what you have not given is the number of six factories, and my turnover of the order is a total of 525. I want to know the revenue of each factory; if you give the data per factory then that would be much better because that will give me the real figures after.

Basically, my particular switch on this is my cap, and you should provide an equity history so that we will come to know how the market has fallen to this extent after five years.

Thank you very much for giving me the opportunity to speak because firstly you had sent me a link on hotmail. Then again, yesterday your people contacted me and resent me the link.

Basically, I was trying to connect on my mobile; only the QA image was visible, that's why I couldn't click. Again when I restarted the mobile same picture same picture was visible of QA. After that again things like un-mute video and all of these images and coming and that's why I couldn't join the meeting.

Thank you very much and see you again as the normal life start.

Mrunal (Moderator):

That was our last speaker for today, we conclude with the questions session. I handover back to the Executive Chairman ma'am; thank you.

Ninotchka Malkani Nagpal:

Thank you.

So this is how we are going to do it. I am going to try and answer some of the questions, and Aditya is then going to take over wherever I am not able to answer.

First I would like to answer questions proposed by few of our shareholders Mr. Anuj Sharma and Mr. Vaibhav.

Do I need to read out the questions again, or shall I just say the answer. How do I do it? Okay, I will paraphrase it. The first question by Mr. Sharma was:

Q.1) What is keeping our margins at the lower end of the industry?

A.1) This is to do with our Project Engineering business; its taken a little bit of beating and therefore we couldn't achieve the turnover, hence the margins were also affected.

The next question of Mr. Sharma was on the peers such as Lincoln Electric, who have also grown significantly in the past few years. This question was:

Q.2) 'We are an Indian Company, and with varied control over our cost structure and our margins it should have been higher.'

A.2) What I would like to say is that, Lincoln Welding and Equipment business is a major profit centre for them; its 32% of their turnover; whereas our percentage contribution of the equipment business is only 13%. Also, our Project Engineering Business will become more profitable in the coming years; we are working on it very actively. We will focus more on our value-added products

so there will be a change in it.

Q.3) Which all segments of the industry do we cater to, and in which segments are we positioned strongly?

A.3) We are pretty much cater to every segment, whether it's a Power Plants, Automotive Units, Structural Fabrication, PE Engineer, Building structures, Refineries, Defense, Railways, Sugar, Cement, Mining. We are positioned strongly in most of the core sectors, especially in Refineries, Power, Railways and Defense.

Q.4) Welding Machines are the negative margin business; do you think this can change going forward?

A.4) Our Welding Equipment plant has shown positive margins; it is the Project Engineering Business which is expected to prove better in the future and will grow. We will probably shift strategy on the products that will be focusing on the future. We will definitely see a turnaround, we will bring some change.

Q.5) Typically what has been the growth in consumables volumes in the past 3-5 years, and how we are expected to grow?

A.5) Consumable volumes have grown from 32, 000 tonnes in 2015-16 to approximately 43,000 tonnes in 2019-20. This number has gone up a number of thousand tonnes higher if we had not been in the pandemic this year. Going forward we can expect some consolidations of market share in the next three to four years, post-COVID.

Q.6) What is the differentiation in consumable offerings versus our competitors?

A.6) Ador is a complete Welding Solutions provider. Unlike our competition which offers solutions for specific products we are able to cater to every need of the customer; whether its in our Gap studying products or welding accessories or welding equipments in consumables, welding automation. We also have our Welding Academy where we train people.

We basically has tried to be a company that delivers customized products to meet our customers specific requirements; and we have R&D centre, which is based in Pune.

This is basically how we want to be self-reliant.

Q.7) What is the main price difference between the consumables with Ador, Lincoln and ESAB?

A.7) ESAB & Lincoln are our competitors.

Q.8) What is the price difference between the unorganized segment & the organized segment?

A.8) Between our competitors, ESAB & Lincoln the price differentiation is very marginal, almost negligible actually. There is a huge price difference between the organized and the unorganized; it's quite significant as it could be 15% or more.

Q.9) Are the machines and the consumable sold as budget product or some sort of commitment for the buyer? Are they separate divisions with no pricing influence?

A.9) Machine and consumables are sold separately and they don't have any pricing influence over one another.

Q.10) What is the nature and duration of contract with consumers?

A.10) Usually, its one year.

Q.11) In Railways, Defense and other Infrastructure segments what percent of the industry revenues come from government and related segments?

A.11) Around 5 to 6 percent of the total revenue for the Welding Industry comes from government and related segments.

Q.12) Our Working Capital Intensity is around 2x of that of our competitors, why are we not able to hold on to better terms?

A.12) We require more working capital for our Project Engineering Business, and that's what we are working on.

Q.13) Our investment in fixed assets is higher, leading to higher capital intensity.

A.13) Here I would like to say that we have replaced a lot of old plant and machineries in the last 2-3 years, in phases so that's why our investment in fixed assets appears to be on the higher side.

Q.14) What are we doing to improve the above so that our cash flows improve?

A.14) When we selected our PE business our Project Engineering business, our major CAPEX program has come over last year so now we hope to improve the cash flow; of course this is all subject to the pandemic and overall economy recovery that we hope we will have.

Q.15) What is your break up sales through distributors versus industries?

A.15) Around 80% of our business is through the distribution network.

Q.16) The next question is for Mr. Aditya Malkani since now he has taken over as the M.D. so what will be his priorities going forward.

A.16) We would be focusing on High Value Welding, which obviously will have better margins; that's what we are looking at. We are going to look at our Project Engineering business selectively because we want to focus there.

Q.17) What about the advance from distributors on behalf of the customers, which amounted to 45 to 66 lakh, and 109 to 114?

A. 17) I don't know where these numbers have been taken from so if you could just email us out on this and we will be able to give you better clarity on this.

There were a couple of questions, Mr. Sharma that you have asked for the year 2016. Unfortunately this is not the forum to take that up since we will only be looking at 2019-20. I will not be able to answer those questions at this time.

Moving to the next speaker, Mr. Badjatya who has also sent his questions; thank you for that! I will just quickly run through that!

Q.1) Please provide revenues breakup of the company, by industries such as Automobile, Oil & Gas?

A.1) Auto is 8%, Oil & Gas are is 18%, Infrastructure is 32%, Railways is 12%, Defense is 5% and others are 25%.

Q.2) What are your strategies for acceptance of continuing losses in Equipment & Project Business? Is our Consumables business, in longer run, will depend on this business?

A.2) Last year our manufacturing was not going well, hence the CAPEX was critical, in fact since past two years this is the case. Our P.E. business was affected due to COVID, from February onwards actually because we are rumbling that COVID had started from February 2020.

Q.3) Are Consumables providing equipments replaceable across brands or equipments made by Ador will have to use only Ador Consumables?

A.3) It is interchangeable. We have seen significant increase in the competition over the last few years.

Q.4) What is the company's strategy to cope with the competition?

A.4) The company had got approval on its high end products in the last 3-4 months; this is a long process but this will help us to keep improving our growth margins post COVID.

Q.5) The company has seen significant increase in Debtor days, what is our plan?

A.5) Its already done; this quarter we have managed to bring it down. In the month of March, due to COVID most of the things were closed for a fortnight, so this affected the increase.

Q.6) What is the status on the Kuwait project?

A.6) The Kuwait project is complete; details have been submitted as per the timelines and session carried out by KOC.

Q.7) Who is our company's main competitor?

A.7) I would say, ESAB

Q.8) What is the replacement cycle or wealth consumables sold by the company?

A.8) Consumables are consumed based on the amount of fabrication done by the customers, hence there is high consumption, every month.

So that takes care of the two shareholders who had sent in their questions. Thank you for sending them in advance.

Now I will just randomly answer the questions asked by all the other shareholders.

COVID has picked up for everyone and we were all taken in complete surprise because we didn't know if we had to go under complete national lockdown or things like that. However, there was this one question proposed by Sulekha Shah which I could address that, 'how could we engage our employees?' We really did take good care of them; we would constantly zoomed a lot, as it is a new normal. As you all know that we had a lot of online training programs to make them feel included; they were constantly in touch and that's how we took care of our employees.

Our factories did closed down because we had Chinchwad factory, Pune and it's been in COVID hotspot for a while. Silvasa factory started in the last week of April, Raipur also; though Chinchwad started a little later, in the third week of May. But our factories are all operational now; that was one of the question, they are all operational; all the safety precautions and protocols have been taken care of; everything has been revamped according to all the government standards. Our

employees are the most important to us, we are taking all care in providing them with safety; everyone is fine and as of today.

Somebody asked for our CAPEX plan, and I have already given the CAPEX for 2019-20; we incurred Rs.19.41 Crore in 2019-20.

CAPEX plan for 2020-21 we are estimating approximately around Rs.17 Crore; this is broken up into Silvasa Plant of Rs.7 Crore; Project Engineering of Rs.2 Crore, which will be Cars & Machinery; IT upgradation of Rs.3 Crores; others we have taken as Rs.5 Crore for R&D etc. That's the basic break up of CAPEX 2020-21!

There was another question about Plant-wise break up. Usually we give break ups as per our divisions, but since somebody has asked for plant-wise break up so I can share that. In 2019-20 consumables was Rs.404 Crore, where Rs.203 Crore were in Silvasa, Rs. 202 in Raipur and Chennai. Equipment was Rs.74 Crore from Chinchwad. Project Engineering business was also from Chinchwad, which was Rs. 48 Crore; this totals to Rs.527 Crore.

Also, our products don't come under 'Essential Services', I wish they did but they don't so we could not take advantage of that.

Now, I am going to allow Mr. Bhide to answer the Face Value question.

V. M. Bhide:

Someone mentioned about the Face Value; Face Value of the share don't come down with buyback, it happens with the split of shares. It is up to the board to decide the liquidity of the shares in the market; that's up to the board to decide and not due to the buy back because the Face Value doesn't come down due to buyback.

Ninotchka Malkani Nagpal:

There was one more question by Mr. Sharad Kumar Shah; something about me doing Bachelor's in Production Engineering. I just want to you that in 1983 in was in school. I don't really know about where you got this information from; maybe you are talking about some other executive or something, I don't know! I have done Bachelor's in Business, and I have done MBA after that so I don't know where this information is coming from.

There was a question about which countries we export to. If you actually looked at our balance sheet its very clear, and I can read it out; Asia, Middle East, Africa, Europe, North America and all that. If you open your Balance sheet and its right there.

Aditya, is there anything that you would like to say?

Aditya Malkani:

Most of the points you have covered by Mrs. Nagpal. Two three points to just cover on the top of that would be that the CAPEX while providing approximately Rs.17 to 18 Crore will undergo review and revision; based in the COVID atmosphere currently.

There was a question by Ms. Shah on learning's from COVID and preparing for post-COVID; that's a continuous process and we expect a lot in our abilities, of how we operate and keep going to change this. There are certain costs that we are in the position to reduce and learning from that may help us going forward but that will take a little time, until we have actioned out so that it comes to its own process. I think the rest of it has been covered quiet well.

The effect of COVID is of course there, but we didn't missed out on major supplies despite the lockdown. As you would've seen that our Raipur plant has gone into lockdown as well from last night for a week but we hopefully will recover from that very fast.

Beyond that, I think the rest of it has been covered so thank you.

Ninotchka Malkani Nagpal:

We will carry on with the meeting. We don't want to take up the e-Voting?

V. M. Bhide:

No.

Ninotchka Malkani Nagpal:

I thank all the members for their queries. All the items of the business are included in the notice of 67th Annual General Meeting, which are already e-voted and being re-e-voted at the AGM, I now declare proceeding of this meeting to be completed. As mentioned in the AGM Notice, the e-voting facility will continue to be available for fifteen minutes after the conclusion of this meeting.

On behalf of the Board and Management of Ador Welding, I thank all the members for attending and participating in this meeting.

Thank you very much for getting online.

Please stay healthy and safe.

Take Care.

I request the Moderator to put up on the screen for e-voting.

Thank you so much.

V. M. Bhide:

Thanks everybody.