



ADOR WELDING LIMITED

60th Annual Report 2012-13



INDIA'S WELDING POWER HOUSE



ADOR WELDING LIMITED

REGISTERED & CORPORATE OFFICE

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Fort, Mumbai - 400 001-16.
Maharashtra, INDIA.
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Chinchwad

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Pune - 411 019.
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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
(w.e.f. 11th May 2012)

Mrs. N. Malkani Nagpal
Director

Mr. R. A. Mirchandani
Director

Mr. A. T. Malkani
Director

Mr. D. A. Lalvani
Director

Mr. Anil Harish
Director

Mr. M. K. Maheshwari
Director

Mr. P. K. Gupta
Director

Mr. R. N. Sapru
Director

Mr. K. Digvijay Singh
Director

Mr. Vippen Sareen
Director

Mr. Raman Kumar
Managing Director
(upto 10th May, 2012)

Executive Management Team:

Mr. S. M. Bhat

Mr. G. Banerjee

Mr. Joseph Mani

Mr. S. S. Bhoi

Mr. L. Sundar

Mr. V. M. Bhide

Mr. A. R. Vilekar

Mr. R. Nath

Mr. Manoj Pandey

Mr. S. Ajay Kumar

Mr. S. K. Palit

Company Secretary:

Mr. V. M. Bhide

Registered & Corporate Office:

Ador House,

6, K. Dubash Marg, Fort,
Mumbai - 400 001-16,

Maharashtra, INDIA.

Tel: (022) 2284 2525, 2287 2548

Fax: (022) 2287 3083

Web: www.adorwelding.com

Bankers:

HDFC Bank Limited
Bank of Baroda

Auditors:

Dalal & Shah,
Chartered Accountants,
Mumbai

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.

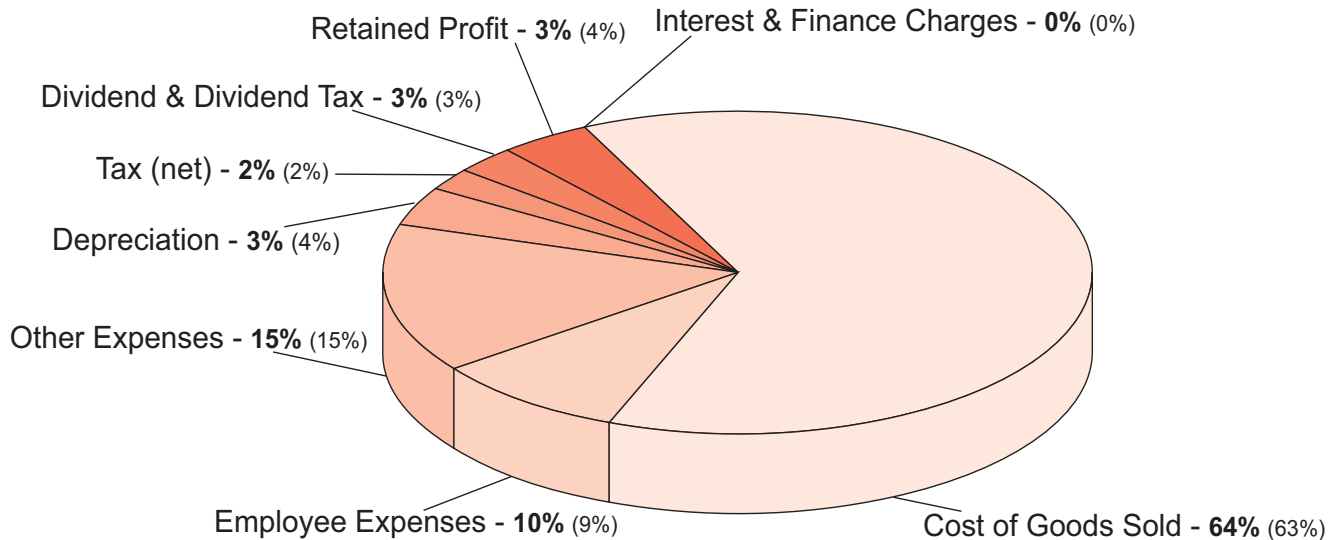
Tel: (022) 2851 5606 / 44,
28516338, 28528087

Fax: (022) 2851 2885

Web: www.sharexindia.com



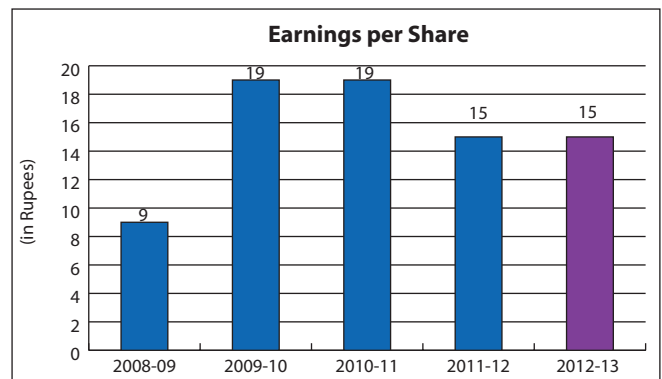
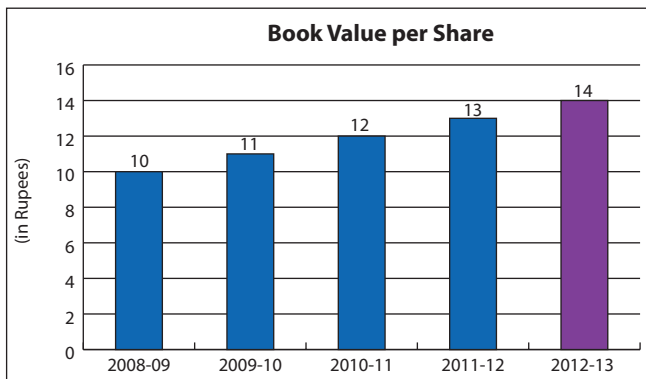
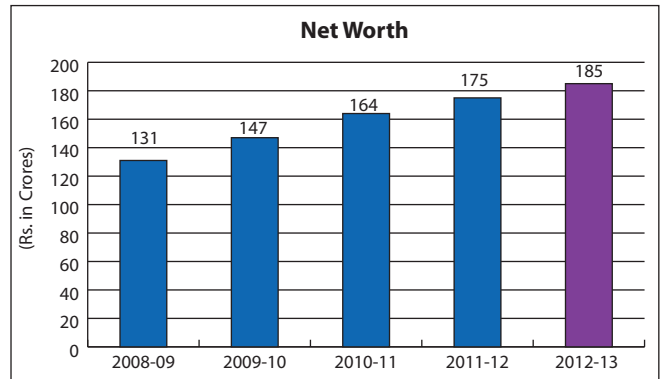
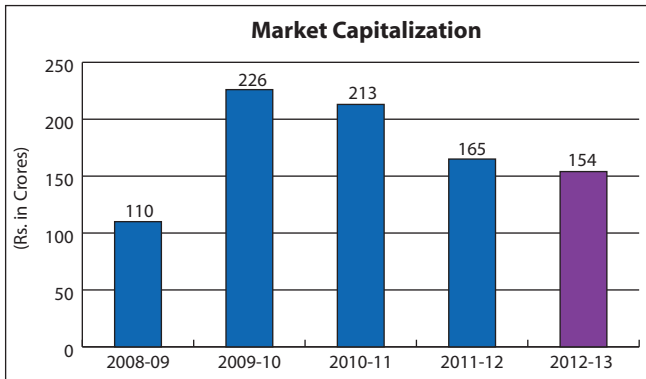
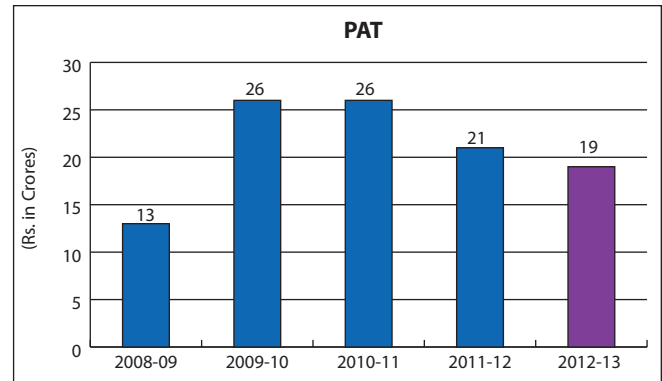
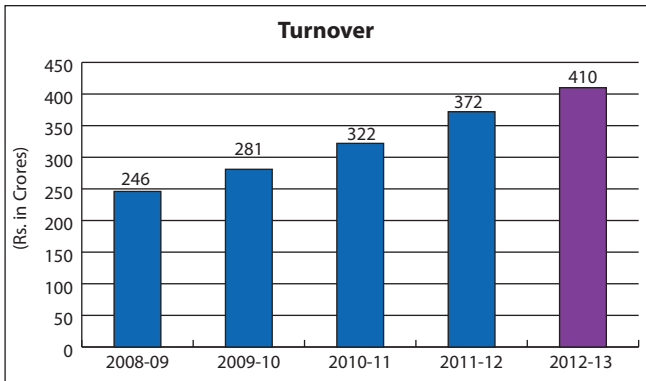
DISTRIBUTION OF REVENUE



(Figures in bracket indicate Previous year)



FINANCIAL STATISTICS





WELDING CONSUMABLES (NEW PRODUCT DEVELOPMENTS)

A. SMAW Electrodes:

1. Kingbond

AWS Classification: AWS A/SFA 5.1 E6013

A Medium, Rutile coated electrode which produces X-ray quality welds and exhibits excellent Weldability in all positions including vertical-down. It needs only 50V to operate, when AC Transformer is used. It gives medium penetration, least spatter and easy slag detachability. Striking and restriking is very good. Weld metal is of radiographic quality.

2. Superinox-253 Spl

Specially designed electrode with rutile coating, which gives excellent welding properties with welder's appeal. Balanced weld ferrite gives required crack resistance to the weld metal. The resistance to Carbon and Nitrogen pickup at elevated temperature is good catalyzed by addition of rare earth elements. It is good for welding of high temperature steels.

3. Betanox-4462

AWS Classification: AWS A/SFA 5.4 E2209-16

A non-synthetic type electrode depositing austenitic ferritic weld metal suitable for welding of duplex stainless steels containing approximately 22% Cr. Weld metal deposited consists of controlled austenite & ferrite content such that it produces a balanced duplex structure to ensure good toughness and freedom from weld cracking in highly restrained joints. It is used for welding of Duplex austenitic-ferrite stainless steels and cladding of Duplex stainless steels weld metal on CS/LAS. Used for piping in Gas and Oil Industry, Off-shore platforms.

4. Superinox-308Mo

AWS Classification: AWS A/SFA 5.4 E308Mo-16

A SS electrode to deposit 19/10/2.5Mo SS for welding of ASTM CF8M stainless steel castings. The weld metal has higher tensile strength and is of radiographic quality. It is suitable for welding similar material and other grades of stainless steels.

5. Zedalloy CoCr-A

AWS Classification: AWS A/SFA 5.13 ECoCr-A

A hardfacing electrode to deposit air hardening type of weld metal having hardness in the range of 35-40 HRC. The weld metal produced is machinable. It is used for surfacing of valves, conveyer screws, knives, hot shearing blades, dies and cutting edges in chemical, rubber, oil, sugar industries and steel mills to get high corrosion, oxidation, heat and wear resistance.

6. Nicalloy-Mo4

AWS Classification: AWS A/SFA 5.11 ENiCrMo-4

A non-synthetic, basic electrode giving weld metal of C-276 type and has excellent resistance to contaminated mineral acids, chloride containing media and chlorine-contaminated media. It is one of



few materials which will resist wet chlorine gas and resist strong oxidizers such as ferritic and cupric chlorides. This type is primarily employed for welding components in plants for chemical process with highly corrosive media.

7. Nicalloy-Mo5

AWS Classification: AWS A/SFA 5.11 ENiCrMo-5

A semi-synthetic, basic coated specially designed electrode for high grade welding of high Mo Nickel base alloys (e.g. Inconel 625, 800) as well as Cr-Ni-Mo steels with high Mo content. It gives 150% weld metal recovery. It is used for surfacing steel clad with a nickel-chromium -molybdenum alloy. It is also suitable for welding / surfacing of tong jaws of the slab handling cranes.

8. Superinox-630

AWS Classification: AWS A/SFA 5.4 E630-16

A stainless steel electrode with nominal composition 16.4Cr, 4.7Ni, 3.6 Cu. The weld metal is modified to prevent the formation of ferrite networks in the martensite microstructure which could have a deleterious effect on mechanical properties. It is primarily designed for welding ASTM A 564, Type 630, and some other precipitation-hardening stainless steels.

B. SAW Fluxes:

Automelt A56

AWS Classification: AWS A/SFA 5.17 F7AZ-EL8, F7AZ-EM12K

Aluminate-rutile type agglomerated flux which can be used for welding of structural steels with EL8 and EM12K Wires. It is active flux, which is tolerant to rust and scale of the base metal.

C. FCAW Wires:

1. Automig FC 71T-1J

AWS Classification: AWS A/SFA 5.20 E71T-1JC

A specially designed FCAW wire to produce weld metal with improved impact properties at -40°C. The wire offers an excellent combination of T1 performance with good sub-zero toughness. It is used for welding of typical structural and carbon steels.

2. Automig FC 81T-1 Ni1

This flux cored wire is specially designed to produce weld metal with improved impact properties. Welding can be carried out at relatively higher welding current, higher deposition rate are obtainable. It is used for welding of A 203, class 1 or 2, A 203, grade E and HY-80, offshore fabrication, vessels and structural steel work.

3. Automig FC 180 R

AWS Classification: AWS A/SFA 5.29 E91T1-D1

A rutile flux cored wire for MAG welding, giving Mn-Mo weld metal. It is specially developed for welding of steels to ISO 8500-91 grade 540B, 570B and 590B, IS: 2002-92 class IIIA or other equivalent steels.



WELDING & CUTTING EQUIPMENT GROUP (NEW PRODUCT DEVELOPMENTS)

1) CHAMP T400 :

It is a light weight and compact IGBT inverter based 400A MMA Welding rectifier, suitable for Heavy duty shop floor and project site welding application. Apart from the energy efficient feature, following are the salient features of this rectifier:

- Three phase inverter based, high efficiency and high power factor DC Welder
- Enhanced Reliability due to SMD technology
- Smooth and stable arc with minimum spatter
- High frequency IGBT based Rectifier
- Built in HOT START and ANTISTICK functions
- Arc force adjustment on panel
- TIG Welding possible with External HF Unit
- Light weight, compact and portable for easy handling
- Suitable for all types of electrodes including cellulosic type
- Suitable for long distance welding application

It has following protections with auto reset capability:

- Over Temperature
- Protection against Single phasing
- Input Supply Voltage protections for over and under voltage



2) CHAMPTIG 400P :

This is world class high efficiency & high power factor IGBT inverter based 400A Pulsed TIG DC welding outfits, suitable for heavy duty and precision TIG welding applications. This outfit is available with water cooling unit with water cooled torch and gas cylinder trolley.

Apart from the energy efficient feature, it has following salient features:

- Three phase inverter based, high efficiency and high power factor PULSED TIG/MMA DC Welder
- Useful for wide variety of material type and thicknesses
- Full featured TIG controls possible
- Power source with built in HF ignition
- Intelligent protection: Over/Under voltage, Over current/temperature





3) CHAMP MIG 600:

This is new high efficient and high power factor IGBT based 600A GMAW welding outfit, suitable for continuous wire welding application with various types of material and active & inert gases. The complete system consists of power source, wire feeder & MIG torch and interconnecting cables. This outfit has option of water cooling unit with water cooled torch for continuous heavy duty application. Apart from standard power source, option of single point control synergic GMAW power source is also available.

These power sources have following salient features:

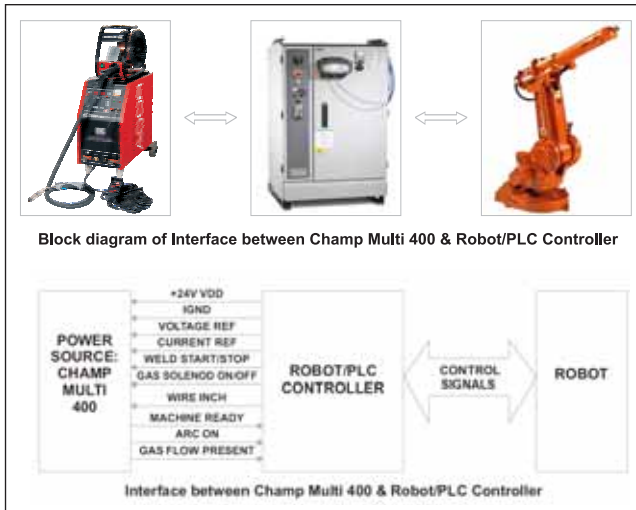
- Digital Panel for adjusting the welding parameters.
- Synergic mode of operation for single point control in GMAW welding for CHAMP MIG 400
- 2T, 4T operating modes
- Electronic choke adjustment for better arc control
- Crater voltage and Crater current adjustment through digital panel
- Unique feature of Fresh Tip Transfer (FTT) to avoid globule formation
- Automatic "Weld Stop" facility.



4) CHAMP MIG 400 (R):

This is a GMAW outfit developed to interface with any robot controller. It consists of GMAW power source having capability to interface with robot controller, wirefeeder and MIG torch.

One can interface this power source to PLC /Robot through digital and analogue signals.



The power source has following features:

- MIG 400A @ 60% duty cycle and 310A @ 100% duty cycle
- Synergic mode of operation for single point control in MIG application
- Maximum power factor of 0.9
- 30% more efficient than conventional machines
- Parameter storage and locking facility available
- Hard wire interface for Robots and PLC



5) KING GAS CUTTING TORCH

KING TORCH NM

- **King Cutting Torch** has several advantages owing to its nozzle mix system. King Cutting Torch is available with ANM nozzle for use with Acetylene as fuel gas and PNM nozzle for use with LPG as fuel gas.
- **Nozzle-Mix Cutting is Safest:** King Cutting Torch's unique "positive- suction" NM nozzles are designed according to the fuel gas being used, to safeguard the torch and operator from "sustained backfire" or "flashback". This is especially advantageous when different fuel gases are used on the same shop floor.
- **Wider Range of Operation:** King Cutting Torches can be employed for a wide range of cutting jobs. All you need is to change the nozzle to suit the job.
- **Easy Maintenance:** The all metal design makes 303 NM a rugged torch that can withstand rough handling by shop floor workers



Specifications:

- Maximum cutting thickness: 300 mm • Length of torch: 460 mm • Weight of torch: 1.2 Kg
- Manufactured as per IS: 7653 – 1975 and Certified by Bureau of Indian Standards (BIS). Marked with ISI and certification license number CM/L 7226061.

6) KING REGULATOR

Double-stage Gas Regulators

- Stainless steel diaphragm in first stage to absorb shock of inlet pressure up to 200 bar. Flexible rubber diaphragm in second stage for fine gas control.
- Forged brass bonnet in first stage and die cast special alloy bonnet in second stage for higher strength.
- Plastic moulded valve and stainless steel spindle in the valve assembly capsule in both stages for leak-proof performance.
- Distinctive colour for bonnet, pressure gauge and pressure adjusting knobs.
- Second stage plenum chamber volume is six times than first stage, ensuring very stable flow characteristics.
- Double protection through separate safety valves in first and second stage.





- Triple filter: one in inlet and two wire mesh in the valve assembly protect the sensitive internal parts from any dust particles. Weight: 2.40 kg

Specifications:

GAS	REGULATOR TYPE*	MAX. INLET PRESSURE (BAR)	MAX. OUTLET PRESSURE (BAR)	MAX. FLOW (LPM)	GAUGE RANGE (kg/cm ²)				END CONNECTIONS	
					INLET MIN.	OUTLET MAX.	INLET MIN.	OUTLET MAX.		
Oxygen	KING REGULATOR AOXD2 (0-10)	230	10	1000	0	250	0	16	5/8" BSP RH (MALE)	3/8" BSP RH (MALE)
Acetylene	KING REGULATOR ADAD2 (0-1.5)	20	1.5	250	0	44	0	3	5/8" BSP LH (MALE)	3/8" BSP LH (MALE)
Argon	KING REGULATOR AARD2	200	-	25	0	250	0	50 lpm	5/8" BSP RH (MALE)	3/8" BSP RH (MALE)
Nitrogen	KING REGULATOR ANTD2	200	10	1000	0	250	0	16	5/8" BSP RH (MALE)	3/8" BSP RH (MALE)

* Manufactured as per IS: 6901 - 2009

7) KING REGULATOR

Single-Stage Gas Regulators

- Unbreakable moulded pressure adjusting knob
- Unique profile rubber diaphragm
- Stainless steel machined & ground valve spindle with nylon moulded valve at the heart of the regulator
- Sintered filter in the inlet, wire mesh filter in valve assembly
- Side inlet for horizontal cylinder valve, bottom inlet for vertical cylinder valve
- Self-adjusting safety valve
- Weight 1.10 kg (approx).



Specifications:

GAS	REGULATOR TYPE	MAX. INLET PRESSURE (BAR)	MAX. OUTLET PRESSURE (BAR)	MAX. FLOW (LPM)	INLET CONNECTIONS	OUTLET CONNECTIONS
Oxygen	KING REGULATOR AOXS2	200	10	1000	5/8" BSP RH (MALE)	3/8" BSP RH (MALE)
Acetylene	KING REGULATOR ADAS2	20	1.0	250	5/8" BSPLH (MALE)	3/8" BSPLH (MALE)
Argon	KING REGULATOR AARS2	200	-	30	5/8" BSP RH (MALE)	3/8" BSP RH (MALE)
CO ₂	KING REGULATOR ACOS2	200	-	30	BSW 0.86 X 14 TPI RH (FEMALE)	3/8" BSP RH (MALE)
LPG	KING REGULATOR ALPB2	16	1	200	BSW 0.86 X 14 TPI LH (FEMALE)	3/8" BSP LH (MALE)



WELDING ACCESSORIES (NEW PRODUCT DEVELOPMENTS)

1) KING SHIELD-HAND (83 x 108 mm) :

Hand shield made of flame retardant glass filled nylon having 2.0 mm shell thickness with flat front. Weighing less than 500 gms. It has a concealed handle with good grip to protect the hand and reduce welder's fatigue. It is suitable for lens size of 83 x 108 mm.



2) KING SHIELD-AUTO :

This Auto-darkening helmet is of classical design, excellent ergonomic structure, comfortable and convenient to use. Light weight shell with comfortable head gear offers ample mask space and superior face, head, neck & ear protection. The shell is made of special nylon which is strong and can well withstand operating welding temperature. High quality multilayer interactive filter provides clear view and permanent UV/IR protection up to DIN13. An external shade adjustment knob enables operator to select between DIN9 to DIN13. Step less Delay and Sensitivity can be adjusted by the user from inside for easy and comfortable operation. This helmet is suitable for all position MMA, MIG / MAG & TIG welding.



3) KING GLOVE – GP :

- Superior Rigger Gloves designed for material handling in tough environment
- Strong 1.2/1.3 mm chrome leather for high abrasion resistance
- Double leather on palm for enhanced protection
- Cotton backing for breathability and comfort
- Rubberised cuff for enhanced wrist protection
- Vein patch for increased wearer safety
- Fleece lined palms for additional warmth and comfort
- Elasticated wrist tensioner for secure fit
- Approved to EN 388 Cat II



4) KING GLOVE – MP :

- Multipurpose Gloves made of heat resistant chrome leather
- Reversible all leather gloves 35 cm (14 inch)
- Heat resisting chrome split Leather
- Ambidextrous style
- 15cm heavy split leather cuff
- Palm and Back fully lined for protection
- Kevlar® stitched
- Approved to EN 388 and EN 12477 type A





5) KING GLOVE – MIG :

- Heavy duty Gloves for MIG/MAG/MMA Welding made of heavy chrome leather for robust wear, yet comfortable feel.
- Full five finger welder's gauntlet
- One piece back 14 inch.
- Fully welted, no exposed seams
- Kevlar® sewn throughout
- Comfortable soft full lining
- Approved to EN 388 and EN 12477 type A



6) KING GLOVE – TIG :

- Flexible high quality Welders gauntlet for TIG welding
- Nappa Grain leather palm and fingers ensure high dexterity
- Comfortable lining in palm
- 15cm heat resistant leather cuff provides robust protection
- Kevlar® sewn throughout
- Reinforced thumb crotch for long lasting performance
- Approved to EN 12477 type B, EN 388



7) KING GLOVE – HR :

- Heat Resistant heavy duty Gloves for MIG/MAG/MMA Welding made of specially treated rust heat resistant leather
- Heat Resistant Welder Gauntlet 35 cm
- Fully blanket lined for extra protection
- Robust yet soft comfortable fit
- Tested to 250° C convective heat
- Kevlar® sewn throughout
- Approved to EN 388 and EN 12477 type A



8) KING APRON :

- Heavy duty Welding Apron made of high quality chrome leather
- Kevlar® sewn throughout
- Light weight, reinforced with rivets and leather straps for comfortable wear





9) KING SLEEVE GUARD :

- Sleeve Guard is made of soft chrome leather.
- Kevlar® sewn throughout.
- Elasticated cuff with velcro arm fastener and knitted wrist for comfort,
- 18½ inch long sleeve guard ensures full protection of welder's sleeve.



10) KING LEG GUARD :

- Leg Guard is made of high quality split leather.
- Kevlar® sewn throughout to protect footwear during welding.
- Elasticated toe hold and Velcro fastener ensures snug fit.



11) SAFETY SHOE - BISON :

- IS-15298 Compliant Safety Shoes for General Engineering, Chemical, Cement, Service & Construction Industries
- Genuine Full Grain Leather Barton Print
- Steel Toe as per IS 15298 & EN 20345 Standard
- Imported Red Mesh breathable lining
- Synthetic PU Crispy Black Collar with extra cushioning
- Moulded Full Socks
- Light Weight for extra comfort
- Direct Injected light weight PU Sole
- Antistatic & slip resistant
- Meet Standard IS 15298 (PART II)
- Available in Sizes UK - 5 to 11



12) SAFETY SHOE - RHINO :

- High Quality Safety Shoes as per IS 15298 for General Engineering Chemical, Cement, Construction and Service Industries
- High Quality Genuine Tan / Black Suede Leather
- Steel Toe as per IS 15298 & EN 20345 Standard
- Imported Black Cambrelle breathable lining
- Imported Black Tetron Collar with extra cushioning
- Moulded Full Socks
- Light Weight for extra comfort
- Direct Injected light weight PU Sole
- Antistatic & slip resistant
- High Quality Black Metallic Hooks
- Meet Standard IS 15298 (PART II)
- Available in Sizes UK - 5 To 11





13) HOLDER HC-600 :

- This electrode holder is Type 'B', semi insulated, heavy duty for use in project sites and workshops.
- Spatter protection guard of this holder is moulded from FR grade plastic.
- Its handle and lever is made of 'Paper Hylum' which ensures good heat resistant quality and ensures minimum welder's fatigue due to its light weight.
- This holder conforms to IS: 2641.



14) HOLDER KING COOL-600 :

- Crocodile style Type 'B' fully insulated electrode holder, conforms to IS-2641.
- Its handle, lever, spatter protection guards are made of fire retardant and heat resistant imported material.
- Special quality of copper alloy as main conductor & brass jaws ensure good contact with electrode and continuous duty cycle.
- This holder is very light weight and suitable for cables up to Al120/Cu70 sq.mm.



15) HOLDER KING SWORD-600 :

- This is a type 'B' electrode holder with fully insulated head to resist spatter.
- Sturdy handle made of fiberglass polyamide is light weight and for heavy duty application.
- Insulation resistant above 1 mega ohm and dielectric strength up to 3000 volts ensures enhanced safety.
- This holder is suitable for cables up to Al120/Cu70 sq.mm. and CE certified as per European standard EN60974-11.



16) EARTH CLAMP-600 :

- Earth clamp made of zinc coated steel and copper plated jaws provide very good contact with the work piece.
- Jaws can be opened up to 60mm. and most suitable for heavy duty applications.





WELDING AUTOMATION PRODUCTS & SYSTEM (WAPS) (NEW PRODUCT DEVELOPMENTS)

1) Pipe to Bush Internal Welding System



Automatic Internal Pipe to Bush welding SPM with MIG / MAG welding outfit & special torch. It also has a quick change adapter for high production rate.

The end product is used for construction of multi stack pallets.

2) Automatic Flux Recovery & Feeding Hopper

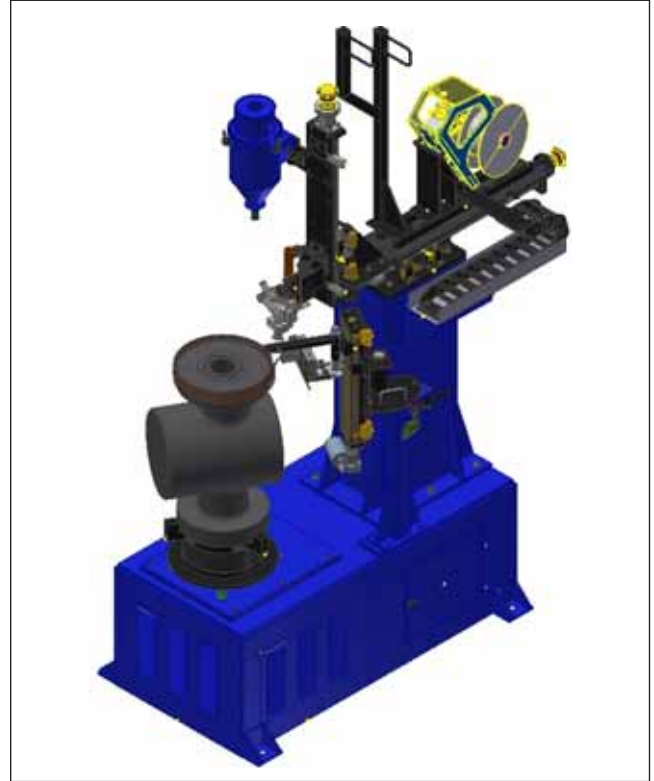


This is a compact SAW flux recovery & recirculation system. It has a special hopper which has a pneumatically operated open / close valve for remote operation.

The suction is produced by a very efficient air operated Vortex Nozzle.



3) Valve Seat Cladding system with induction pre-heating system



This fully automatic system accepts different sizes of valves that are used in Oil & Gas Industry to be SS / Inconel cladding on its face.

This has an induction heating system in place of the conventional heating systems, saving the process time & money. Also this system was found to be more superior to the conventional heating systems, as it has eliminated problems associated with them.

A hydraulic power chuck reduces the setting / cycle time.



PLASMA LASER TECHNOLOGIES

Introduction and Technology

The Super-MIG[®] system is a new, innovative robotic welding technology developed by combining two reliable standard welding processes, Plasma arc and MIG arc, into one hybrid process. The Super-MIG[®] process is capable of replacing and improving most standard MIG, SAW or Plasma/TIG, as well as many other applications (i.e. true lap welds-continuous or stitch/spot configurations).

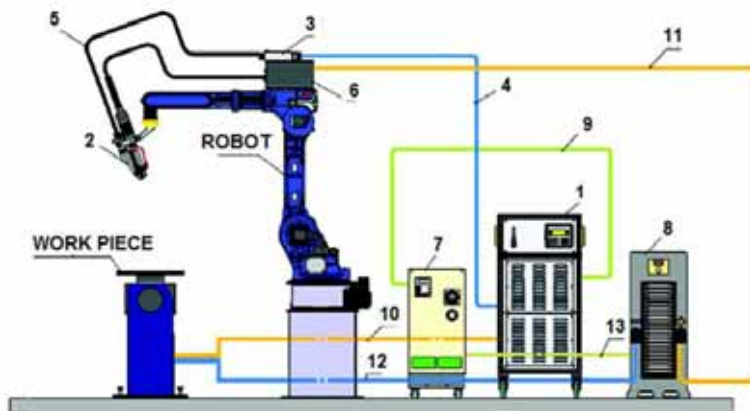
It can replace / enhance the manufacturing process capabilities in the highly automated process industries like:

- Automobiles (Major usage Robotic MIG Welding)
- Other Industries which mainly use SAW process, like
 1. Boiler and power generators
 2. Heat exchangers for different white goods and power supplies
 3. Heavy machinery for industry and agriculture
 4. Tubes welding
 5. Shipbuilding

Super-MIG[®] Benefits compared to conventional MIG

- ✓ Higher welding speeds (1½ - 2 times faster than MIG).
- ✓ Produces true lap welds.
- ✓ Seam finding or tracking not required (for most applications).
- ✓ Improved part quality, due to reduction of welding heat input.
- ✓ Reduced wire consumption.
- ✓ Easily integrated into traditional MIG applications.
- ✓ Steel / Aluminium.
- ✓ Higher quality welds for the same range of materials (MIG / TIG / Plasma).
- ✓ Significant reduction in weld spatter

Super-MIG[®] System Layout



1) SUPER MIG HD INTERFACE UNIT; 2) SUPER MIG HD WELDING TORCH; 3) SUPER MIG HD TERMINAL BOX
 4) "HD IU - TB" CABLE; 5) "SUPER MIG HD WELDING TORCH - TB" CABLE; 6) WIRE FEEDER DRIVE;
 7) ROBOT (PLC) CONTROLLER; 8) MIG PSU; 9) "HD IU - ROBOT (PLC) CONTROLLER" CABLE; 10) "HD IU - WORK
 PIECE" CABLE; 11) MIG POSITIVE (+) CABLE; 12) MIG NEGATIVE (-) CABLE; 13) MIG PSU CONTROL CABLE



Super-MIG® in operation



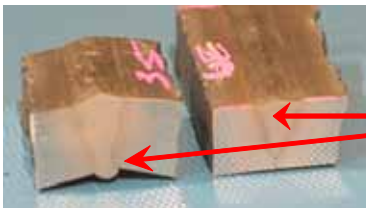
PLASMATRON
TORCH



WELDING IN
PROGRESS



WELDING
BEAD



HIGH PENETRATION
LEVEL



AUTOMATIC TORCH
CLEANING DEVICE



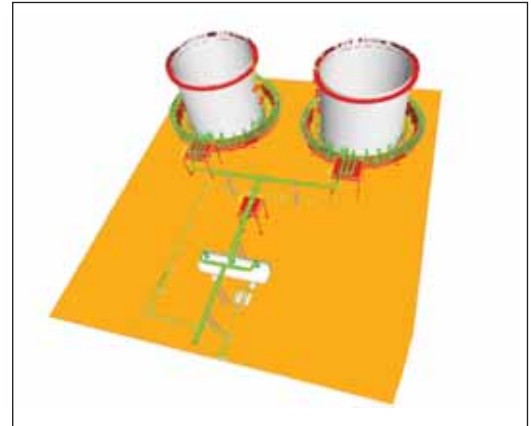
PROJECT ENGINEERING BUSINESS (NEW PRODUCT DEVELOPMENTS)

1) ENCLOSED GROUND FLARE :

India's biggest ever 'Enclosed Ground Flare' designed by ADOR WELDING's dedicated design team with complete inhouse expertise & strong experience back up, is under installation at Madhuban & Chabua sites of OIL INDIA, Assam.

While designing the system state of the art technology & latest design tools like STADPRO for structural designs, PDMS & CEASAR for piping design & stress analysis & ANSYS 12 for CFD analysis are used.

The facility at Madhuban is designed for the flow of 8 MMSCM / Day i. e. about 32 Kgs. / sec without any external blowers for the combustion. The system is designed with unique special design & geometry of Enclosures & pilot burners which allows the natural air to be sucked in & delivers 98% combustion efficiency.



The patent for the unique design is filed for registration under the Application Number: 372/MUM/2013 on 28/02/2013 & is now under publication by the Patents Authority of India.

2) CONCENTRIC ELEVATED FLARE FOR HYCO GASES :

First ever Concentric elevated flare of any Indian Manufacturer is designed by ADOR WELDING's dedicated design team with complete inhouse expertise & strong experience back up is under final manufacturing stages & will be ready for installation at Saudi Arabia.



While designing the system state of the art technology & latest design tools like STADPRO for structural designs, PVELite for pressure vessel design & ANSYS 12 for CFD analysis are used.

The facility is designed to handle two different flows with wide temperature difference; the inner being cold & outer warm flow. The system is designed for 35 combinations of (cold + warm) flows with RCER regulations for GLC & dispersion. The unique special design & geometry of Enclosure, Gas seal & pilot burners allows the proper mixing of both flows & delivers 98% combustion efficiency over the entire range.



DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the **Sixtieth Annual Report** of the Company and the Audited Statement of Accounts for the year ended 31st March, 2013.

1.0 Financial Performance

(Rupees in Crore)

Sr. No.	Key Financial Indicators	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012	For the year ended 31 st March, 2013
		Standalone		Consolidated *
1.1	Sales & other Income (Net of Excise Duty, Discounts & Incentives)	367.79	344.42	368.75
1.2	Profit before Interest and Depreciation	39.80	41.44	37.81
1.3	Profit before Tax (PBT)	26.65	28.12	24.45
1.4	Provision for Tax (Net of deferred tax)	7.57	7.23	7.57
1.5	Profit for the year after Tax (PAT)	19.08	20.89	16.88
1.6	Capital Expenditure	16.74	10.98	16.80
1.7	Capital – work in progress	0.45	1.98	0.45

* M/s. Ador Welding Academy Pvt. Ltd. & M/s. Plasma Laser Technologies Ltd. became the subsidiaries of the Company during the year 2012-13, hence previous year's consolidated figures are not given.

2.0 Dividend and Reserves

- 2.1 The Board of Directors is pleased to recommend a Dividend of 60% (i.e. @ Rs.6/- per Equity Share) for the financial year 2012-13, subject to the approval of the Members. Dividend for the previous financial year 2011-12 was declared @ 60% (i.e. @ Rs.6/- per Equity Share).
- 2.2 The Dividend for the financial year 2012-13 shall be paid to those Shareholders and Beneficial Owners whose names appear in the Register of Members as on the record date for Dividend payment.
- 2.3 The Board recommends transfer of Rs. 1.91 Crore (Rs. 2.09 Crore)* to the General Reserve, and the balance of Rs.36.99 Crore (Rs.29.36 Crore)* for retention in the Profit & Loss Account.

(*Figures in brackets indicate previous year).

3.0 Operations

In the financial year 2012-13, the Sales and other income went up by 6.78 %. The year ended with Sales and other income of Rs.367.79 Crore (Rs.344.42 Crore)*.

The Company's Sales and other Income during the financial year 2012-13 comprised of the following:

- 3.1 Welding Consumables at Rs.282.16 Crore (Rs. 262.81 Crore)* - In spite of de-growth in the welding products manufacturing industry of around 20% witnessed over last year due to unfavourable economic conditions, Domestic Sales of Consumables recorded a growth of over 7% compared to the previous year.
- 3.2 Equipment & Project Engineering at Rs.82.02 Crore (Rs.78.10 Crore)* - Capital goods Industry witnessed de-growth of about 8%



over last year. However the Welding Equipment business was higher by over 5% compared to the previous year.

3.3 Other Income at Rs.3.61 Crore (Rs. 3.51 Crore)*

(*Figures in brackets indicate previous year).

4.0 CAPEX

We completed CAPEX of Rs. 16.74 Crore and Rs. 0.45 Crore is in various stages of progress. The entire CAPEX programme of financial year 2012-13 shall be completed by the end of June 2013. For the financial year 2013-14 the CAPEX has been budgeted at about Rs. 33.00 Crore mainly for –

- (a) Consumables, Equipment and R&D.
- (b) Production Equipment to balance lines for achieving capacity production levels.
- (c) Production related Equipment to improve in process quality and deviation control towards six-sigma levels.
- (d) Analytical Instruments for Equipment R&D.
- (e) New Sales Offices.
- (f) Additional Plots of land.

5.0 Subsidiary Company – Domestic

On 24th July 2012, your Company promoted Ador Welding Academy Pvt. Ltd. as a wholly-owned Subsidiary Company, with a primary intent to set up a national level welding academy to support manufacturing / construction / fabrication industry achieve higher value-add. It is an institute of significance, offering wholesome support to the National policy on skill development to harness the demographic dividend for building a globally competitive manufacturing sector.

6.0 Subsidiary Company – Overseas

During the year under review, your Company acquired controlling equity stake in M/s. Plasma Laser Technologies Ltd. (PLT), an overseas Company, thereby making it a subsidiary of the Company.

PLT is in the business of manufacturing equipments from their patented welding process that combines the application of Plasma and MIG welding processes. The applications range from automobile, infrastructure to ship building and pressure part applications.

It is envisaged that the acquisition has the potential to create a strong synergy for mutual growth and business excellence. It will adequately catalyze our vision of creating a strong technical base for the products & service delivery, to globalize our operations and to strengthen our positioning, amongst the other industry players, in the world market.

Further, there are two subsidiary companies of PLT, which are named below:-

1. M/s. Aluminium Hybrid Systems Ltd. – formed for developing products for Aluminum Plasma Welding.
2. M/s. Plasma Laser Technologies, North America, Inc. – formed for carrying out Business Development Activities in North America.

By virtue of acquisition of majority equity stake in PLT (Holding Company of above two subsidiaries), these two Companies have also become subsidiary Companies of your Company.

7.0 Consolidated Financial Statements

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with the applicable Accounting Standards. Pursuant to the circulars dated February 8, 2011 & February 21, 2011 issued by the Ministry of Corporate Affairs, a general exemption has been granted to the companies from annexing the individual accounts of all the subsidiaries along with the audited financial statements of the Company while publishing the Annual Report, subject to certain conditions as mentioned in the said circulars. Your Company meets all the conditions stated in the aforesaid circulars and therefore the standalone financial statements of each subsidiary will not be annexed with this 60th Annual Report of the Company for the year ended 31st March, 2013.

Accordingly, the annual accounts and other related information of the subsidiary companies will be made available for inspection to the shareholders of the Holding Company at the Registered office of the Company and your Company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand.



8.0 Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that:

- 8.1 In preparation of the Annual Accounts, all the applicable Accounting Standards have been followed.
- 8.2 Proper accounting policies have been selected & applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period.
- 8.3 Proper & sufficient care has been taken for maintenance of adequate accounting / Statutory Records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing / detecting fraud & other irregularities.
- 8.4 Annual Accounts have been prepared on a going-concern basis.

9.0 Directors

9.1 During the FY 2012-13 the following changes occurred in the composition of the Board of Directors of the Company:

- (a) Mr. Raman Kumar's contract as the Managing Director of the Company expired on 10th May, 2012.

The Directors would like to place on record their sincere appreciation for the contributions made by Mr. Raman Kumar during his tenure on the Board and with the Company spanning over 35 years.

- (b) The Board of Directors, in its meeting held on 26th April, 2012 appointed Mr. S. M. Bhat as an Additional Director and Managing Director of the Company w.e.f. 11th May 2012, on retirement of Mr. Raman Kumar. The shareholders thereafter approved Mr. S. M. Bhat's appointment as the Managing Director at the AGM held on 20th July, 2012.

9.2 On 07th July, 2012, Mr. S.M. Bhat, the Managing Director of the Company was conferred with the prestigious UDYOG RATNA Award by the Institute of Economics Studies (IES) for his contribution and excellence in the field of Infrastructure development through your Company, Ador Welding Limited.

9.3 Mr. M. K. Maheshwari, Mr. P. K. Gupta and Mr. A. T. Malkani, Directors of the Company, retire by rotation, as per the Articles of Association of the Company and are eligible for re-appointment.

9.4 The Board of Directors has received Form-DDA from all the above named Directors, as prescribed under the Companies Disqualification of Directors (under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, informing the Company that they are not disqualified under Section 274(1)(g) of the Companies Act, 1956.

9.5 The Remuneration of the Executive Chairman has been restructured within the limits specified in Schedule XIII to the Companies Act, 1956 and within the powers conferred by the Members to the Board.

10.0 Fixed Deposits

The Company has neither accepted nor renewed Fixed Deposits during the financial year 2012-13.

11.0 Insurance

The properties / assets of the Company are adequately insured.

12.0 Energy conservation, Technology Absorption & Foreign Exchange

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption & foreign exchange earnings / outgo is appended hereto as **Annexure - I** and forms part of this Report.

13.0 Corporate Governance

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the Corporate Governance Code from the financial year 2001-02 onwards. The Company



has complied with all the requirements of the **Corporate Governance** as per Clause 49 of the Listing Agreement and a separate Report is attached herewith to this Report as **Annexure - II**.

The Corporate Governance Compliance Certificate obtained from M/s. Dalal & Shah, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, is also attached herewith, to this Report.

The **Management Discussion and Analysis Report**, as mandated under the Code of Corporate Governance, is also attached to the Directors' Report as **Annexure - III**.

14.0 Auditor's Report

There are no qualifications contained in the Auditor's Report & therefore there are no further explanations to be provided for in this Report.

15.0 Statutory Auditors

The Company's Statutory Auditors, M/s. Dalal & Shah, Chartered Accountants, Mumbai, retire and are eligible for re-appointment.

16.0 Cost Auditors

Pursuant to the approval of the Central Government under Section 233B of the Companies Act, 1956, the Board of Directors has appointed Vishvesh Desai, Cost Accountant, Pune, as the Cost Auditor of the Company for audit of cost accounting records of its "Automig Wires" (Steel) under chapter heading 72 and all other products manufactured by the Company, which are covered under Chapter 83 & 84 of the Central Excise Tariff Act, 1985.

The brief information of the Cost Auditor and the Cost Audit Report is as under:

- 16.1 Name of the Cost Auditor: CMA Vishvesh Desai
- 16.2 Address of the Cost Auditor: 10, Prabhakarsmruti CHS Ltd., 4th Lane, Dahanukar Colony, Kothrud, Pune - 411 029, Maharashtra, India.
- 16.3 Membership No.: F-7330.
- 16.4 Firm Regn. No. : 102151
- 16.5 Due date for filing Cost Audit Report (XBRL) for the financial year 2011-12 by the Cost Auditor with the Central Government: 28th February 2013.

- 16.6 Actual Date of filing of Cost Audit Report (XBRL) for the financial year 2011-12 with the Central Government: 09th January, 2013.

17.0 Employees

- 17.1 The industrial relation in all the Plants and Offices of the Company continues to be harmonious, cordial and peaceful.
- 17.2 The information required in terms of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Annual Report is being sent to all the Members of the Company excluding the said statement of particulars of Employees (which is available for inspection by any Member at the Registered Office of the Company during working hours upto the date of the Annual General Meeting). Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.
- 17.3 The manpower strength of the Company as at the date of this Report is 784.

18.0 Acknowledgement

Your Directors take this opportunity to place on record their warm appreciation for the invaluable contribution given and the spirit of dedication shown by the employees at all levels during the financial year 2012-13. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by its Customers, Distributors, Dealers, Suppliers / Service Providers, Bankers, various Government Organisations / Agencies, Employees & Shareholders and look forward to their continued support and co-operation in future also.

For and on behalf of the Board

Place: Mumbai
Date: 15th May, 2013

A. B. Advani
Executive Chairman



ANNEXURE I - TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.

A) Conservation of Energy & Water

1. The direction of development of new welding power supplies is closely guided by the objective of making these energy efficient. A series of new models based on relevant technology were designed & developed / launched to save at least 20% energy costs, compared to conventional types.
2. RO water plant installed for purifying ground water extracted from well, is being used for wet drawing and also for drinking. The waste water is used for gardening & washrooms.
3. All DC drives being converted to AC drives.
4. Electric-fired Oven, wherever feasible, converted to Gas fired.
5. ETP / STP facilities which enable recycling of water, upgraded and Water harvesting done to improve ground-water levels.

All the Plants of the Company have been certified by DNV for EMS 14000 Standards Compliance. All the Plants of the Company also adhere to the guidelines of the respective state PCBs / CPCB.

B) Technology Absorption

The Company has two (2) Technology Development Centres (TDCs), out of which one (1) is located at Silvassa in the Union Territory of Dadra & Nagar Haveli and the other is located at Chinchwad (Pune) in Maharashtra for Consumables and Equipment respectively, which are recognized by the Department of Scientific and Industrial Research, Government of India.

These TDCs continue to pursue their goals, with renewed vigour, in terms of innovations, up-gradations, improvements and cost reductions. These TDCs regularly interact with the market / users for improving the competitive features and performance of the Company's products. Some of the significant technology absorption / innovations are listed hereunder:

1. Development of Digital Inverter Welding Power supplies.
2. Development of MIG power supply having capability to interface with robot of any robot manufacturer.
3. Development and Supply of various Special Purpose Machines for Mechanised Welding Production.
4. RF Wireless Remote Controller for use with welding power supplies.
5. Microprocessor based digital Controllers.
6. Development of Single phase inverter based plasma cutting power source.
7. Development of welding consumables for Oil & Gas and Power sector, with special mechanical properties under prolonged PWHT and Step Cooling heat treatment.
8. Selection of critical raw material to achieve extremely critical hydrogen control and moisture resistant properties.
9. Development of a wide range of SAW Fluxes to meet a variety of critical welding applications in construction industry.



10. Non synthetic electrodes for creep resistant steel and super duplex stainless steel.
11. Range of consumables for critical and super critical boiler application in SAW and TIG processes.
12. Flux cored wires for
 - a) C-Mn steels for NACE applications
 - b) metal cored wire and
 - c) low alloy wires for sub zero applications.
13. SAW and FCW low alloy consumables for high speed boiler panel welding applications.
14. Induction Heating systems for the Pre-heating / Post heating of welded components.
15. Compact Flux Recovery cum recirculation units using compressed air.
16. Summary of Expenditure on R & D

Expenditure on R & D

Particulars

Capital

Recurring

Total

Total R & D expenditure as a percentage of the total Turnover

FY 2012-13

Rs. 0.11 Crore

Rs. 4.49 Crore

Rs. 4.60 Crore

1.26%

FY 2011-12

Rs.0.64 Crore

Rs.2.54 Crore

Rs.3.18 Crore

0.94%

C) Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is given below:

Particulars

Foreign Exchange earnings

Foreign Exchange outgo

FY 2012-13

Rs. 46.61 Crore

Rs. 27.38 Crore

FY 2011-12

Rs.33.95 Crore

Rs.19.74 Crore



ANNEXURE II - TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance, as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement, is set out below. In this report, we confirm the compliance of the Corporate Governance criteria, as required under the revised Clause 49 of the Listing Agreement.

A) Mandatory Requirements

1) Company's Philosophy on the Code of Corporate Governance

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long term enhancement of the shareholders' / stakeholders' value & interest. The Company believes that its actions must result in enhancing corporate performance by maximizing shareholders' / stakeholders' value and also result in motivated work force. We, as a Company, have always focused on good Corporate Governance practices, which is a key driver of sustainable corporate growth and long-term value creation for our shareholders / stakeholders.

2) Board of Directors

Composition, Number of Meetings held and Attendance:

The strength of the Board of Directors is twelve (12) consisting of two (2) Executive / Whole-time Directors and ten (10) Non-Executive Directors.

The Meetings of the Board of Directors are generally held at the Registered Office or in the vicinity of the Registered Office of the Company in Mumbai. The Meetings are scheduled well in advance and the intimation of each Board Meeting is given in writing to each Director about 8 to 10 weeks before the scheduled date of the Meeting. The Board of Directors generally meets once in a quarter, primarily to review the quarterly performance and financial results of the Company, amongst other things.

The Company Secretary, in consultation with the Executive Chairman and the Managing Director, prepares detailed Agenda for the Board Meetings. All the necessary documents including Annexures, Explanatory Notes, etc., if any, are circulated, along with the Agenda, to all the Directors, about 7 to 10 days in advance. The Board Members are also free to recommend inclusion of any other matter in the Agenda, for discussion in the Board Meeting.

During the financial year 2012-13 under review, the Board of Directors met four (4) times, i.e. on 26th April 2012, 20th July 2012, 25th October 2012 and 28th January 2013.

The composition of the Board of Directors, attendance at the Board Meetings held during the year and at the last Annual General Meeting, number of Directorships in other Companies and Memberships of Committees across various other Companies, in which the Director is a Member / Chairman are given below:

Sr. No.	Name of the Director	Category of Directorship	Financial Year 2012-13 Attendance at		As on March 31, 2013		
			Board Meetings	Last AGM (held on 20 th July, 2012)	No. of other Directorships #	Committee Positions	
						No. of Memberships @	No. of Chairman-ships @
1	Ms. A. B. Advani	Executive	4	Present	3	Nil	Nil
2	Mr. S. M. Bhat *	Executive	3	Present	Nil	Nil	Nil
3	Mrs. N. Malkani Nagpal	Non-Executive	4	Present	3	Nil	1
4	Mr. R. A. Mirchandani	Non-Executive	4	Present	2	Nil	Nil



Sr. No.	Name of the Director	Category of Directorship	Financial Year 2012-13 Attendance at		As on March 31, 2013		
			Board Meetings	Last AGM (held on 20 th July, 2012)	No. of other Directorships #	Committee Positions	
						No. of Memberships @	No. of Chairmanships @
5	Mr. A. T. Malkani	Non-Executive	4	Present	2	Nil	Nil
6	Mr. D. A. Lalvani	Non-Executive	4	Present	2	Nil	Nil
7	Mr. Anil Harish	Independent & Non-Executive	3	Present	13	7	3
8	Mr. M. K. Maheshwari	Independent & Non-Executive	2	Present	5	3	Nil
9	Mr. P. K. Gupta	Independent & Non-Executive	4	Present	Nil	Nil	Nil
10	Mr. R. N. Sapru	Independent & Non-Executive	4	Present	Nil	Nil	Nil
11	Mr. K. Digvijay Singh	Independent & Non-Executive	3	Absent	Nil	Nil	Nil
12	Mr. Vippen Sareen	Independent & Non-Executive	3	Present	Nil	Nil	Nil
13	Mr. Raman Kumar **	Executive	1	NA	Nil	Nil	Nil

Excludes Directorships in Foreign Companies, Private Limited Companies and Charitable Companies, if any.

@ Considered Memberships / Chairmanships in Audit Committee and Shareholders / Investors' Grievance Committee only.

* Appointed as an Additional Director and Managing Director w.e.f. 11th May, 2012.

** Contract expired on 10th May, 2012.

Mr. Raman Kumar's extended Contract / tenure as the Managing Director, as recommended by the Remuneration Committee and also proposed by the Board of Directors at its Meeting held on 26th April, 2012, which was subsequently approved by the Members in the Annual General Meeting held on 20th July, 2012, expired on 10th May, 2012. The Board at its Meeting held on 26th April, 2012 put on record the distinctive and meritorious services rendered by Mr. Raman Kumar during his tenure of over 35 years with the Company, in various capacities, as it was Mr. Raman Kumar's last Board Meeting.

The Remuneration Committee at its meeting held on 26th April, 2012, recommended the name of Company's the then President & COO, Mr. S. M. Bhat as the successor of Mr. Raman Kumar w.e.f. 11th May, 2012. The recommendation of the Remuneration Committee was also upheld by the Board of Directors at its Meeting held on 26th April, 2012, which was subsequently approved by the Members in the Annual General Meeting held on 20th July, 2012. Mr. S. M. Bhat holds degree in Bachelor of Engineering (B.E.) from VJTI, Mumbai and has done Post Graduation in International Marketing & Finance from International Management Institute (IMI), New Delhi. He was nominated on Indirect Taxation Committee of Association of Indian Automobile Manufacturers (AIAM), Bombay Chamber of Commerce & Industry (BCCI). He has rich experience in Product Manufacturing / Technology Development, Brand Promotion, Business / Technology Collaborations, Sales & Marketing, Strategic Management, etc.

None of the Directors is a Member of more than ten (10) Board Committees and Chairman of more than five (5) such Committees, across all the Companies in which he / she is a Director, as required under Clause 49 of the Listing Agreement. The same is also evidenced from the above table.



None of the Independent Directors of the Company have any material pecuniary relationship or transactions with the Company, its Promoters or its Management, which would affect the independence or judgement of the Director/s. The Company has also not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict, with the interest of the Company at large.

Broad Terms of reference / functions of the Board:

The following information is generally provided to the Board of Directors:

- Annual operating plans & budgets and any updates thereon.
- Capital budgets and any updates thereon.
- Quarterly Unaudited Financial Results of the Company and its Operating Divisions or Business Segments.
- Minutes of Meetings of the Committees of the Board.
- The information on recruitment and remuneration of senior officers, just below the Board level.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations of and by the Company, or substantial non-payment of goods, sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Significant labour problems and their proposed solutions.
- Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Quarterly / Half yearly / Yearly details of financials & other material information of Subsidiary Companies.
- Sale of material nature of investments, subsidiaries, assets, etc. which is not in the normal course of the business.
- Quarterly details of Foreign Exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or Listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board of Directors is routinely provided with all the information under the above referred heads, whenever applicable and materially significant. These are submitted either as a part of Agenda papers or are tabled in the course of the Board Meeting, which get discussed / noted in the Board Meeting.

Code of Conduct:

The Board of Directors has laid down / adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on to the website of the Company – www.adorwelding.com. All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2012-13.

3) Audit Committee

Broad Terms of Reference / Functions of the Committee:

The Committee reviews and ensures that the financial statements are correct, sufficient and credible with reference, particularly, to the requirements, as enumerated under Clause 49 of the Listing Agreement, to the extent applicable.



In order to effectively discharge their responsibility, the Audit Committee Members have been empowered:

- to investigate any activity within its terms of reference.
- to seek information from any employee of the Company.
- to obtain outside legal or other professional advice.
- to secure attendance of the outsiders with relevant expertise, if they consider it necessary.
- to invite Statutory / Internal Auditors for the meetings / discussions.

Composition, Number of Meetings held and Attendance:

During the financial year 2012-13 under review, four (4) Audit Committee Meetings were held, i.e. on 26th April 2012, 20th July 2012, 25th October 2012 and 28th January 2013.

On 26th April 2012, the Audit Committee was reconstituted by the Board of Directors by inducting Mr. A. T. Malkani in place of Mr. R. A. Mirchandani.

Mr. A. T. Malkani attained his B.A. (Economics) from Oberlin College (Ohio, USA) and his MBA from the Indian School of Business (ISB in Hyderabad, Andhra Pradesh, India.). Prior to joining Ador Group in 2002, he gained experience with MNCs in FMCG Marketing & Finance. Mr. A. T. Malkani has been involved in varying functions (across the group) ranging from corporate marketing & exports to strategic planning & new business initiatives.

Mr. R. N. Sapru was invited to the Audit Committee meeting held on 25th October, 2012 as Mr. Anil Harish and Mr. M. K. Maheshwari, had informed their inability to attend the Meeting.

Mr. R. N. Sapru is Commerce Graduate and an MBA. He has been with Executive Access (India) Pvt. Ltd. since March, 2009. Earlier, he spent nearly 3 years in Hong Kong and in India with EAL Consulting India Pvt. Ltd., a wholly owned Company of the Executive Access Group, Hong Kong, a leading Asiapac HR Consulting & Executive Search firm. Prior to this, he spent about 3 years with EIH Ltd. (The Oberoi Group of Hotels) as CEO for the Groups Travel Related business - Mercury. Prior to that he spent nearly 4 years in the Television broadcast Industry with Companies like GE (CNBC), SAB TV and Reliance Entertainment. Mr. Sapru commenced his career as a banker in 1985 and worked with HSBC for over 10 years, prior to joining GE Capital. He was subsequently transferred internally to another GE Company, IGE India, as CEO.

The Company Secretary acts as the Secretary of the Audit Committee.

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers appropriate, to be present at the Meeting. In all the Audit Committee Meetings, Senior Executives and Statutory Auditors of the Company were invited.

The composition of the Audit Committee and attendance at its Meetings held in FY 2012-13 is given hereunder:

Sr. No.	Name of the Director Member	Position	Category	Attendance during the FY 2012-13
1	Mr. Anil Harish	Chairman	Independent & Non - Executive Director	3
2	Mr. R. A. Mirchandani *	Member	Non - Executive Director	1
3	Mr. A. T. Malkani **	Member	Non - Executive Director	3
4	Mr. M. K. Maheshwari	Member	Independent & Non - Executive Director	2
5	Mr. K. Digvijay Singh	Member	Independent & Non - Executive Director	3
6	Mr. R. N. Sapru	Invitee	Independent & Non - Executive Director	1

* Till 26th April 2012

** From 27th April 2012



The highlights of each of the Audit Committee Meeting are informed to the Board of Directors and discussed in the Board Meeting. Subsequently, the Minutes of the Audit Committee Meeting are also provided to the Board.

4) Remuneration Committee

Broad Terms of Reference / functions of the Committee:

The Committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the Remuneration to Directors and to deal with all the elements of the Remuneration package of all the Directors including but not restricted to the following:

- to review, assess and recommend the appointment and remuneration of the Whole-time Directors.
- to review the remuneration package including the retirement benefits, payable to the Directors periodically and recommend suitable revision / increments, whenever required, to the Board of Directors.

Composition, Number of Meetings held and Attendance:

During the financial year 2012-13 under review, one (1) Remuneration Committee Meeting was held on 26th April 2012.

On 26th April 2012, the Remuneration Committee was reconstituted by the Board of Directors by inducting Mrs. N. Malkani Nagpal in place of Mr. A. T. Malkani.

Mrs. N. Malkani Nagpal has done her Masters Degree in Business Administration (MBA) with specialization in Finance. She has about 17 years of experience in Financial Management of the Company.

The Company Secretary acts as the Secretary of the Remuneration Committee.

The composition of the Remuneration Committee and the attendance at its Meeting is given hereunder:

Sr. No.	Name of the Director Member	Position	Category	Attendance during the FY 2012-13
1	Mr. R. N. Sapru	Chairman	Independent & Non-Executive Director	1
2	Mr. Anil Harish	Member	Independent & Non - Executive Director	1
3	Mr. M. K. Maheshwari	Member	Independent & Non - Executive Director	1
4	Mr. A. T. Malkani*	Member	Non - Executive Director	1
5	Mrs. N.Malkani Nagpal**	Member	Non - Executive Director	NA

* Till 26th April 2012

** From 27th April 2012

Remuneration to the Executive Directors:

The remuneration of the Whole-time / Executive Director(s) is decided by the Remuneration Committee, based on the criteria such as industry benchmarks, the Company's performance vis-à-vis the Industry performance / track record of the Whole-time / Executive Director(s) and the same is reported to the Board of Directors. The Company pays remuneration by way of salary, perquisites & allowances (fixed component) and Commission (variable component) upto a maximum of 0.5% & 1% of the net profits of the Company, as specifically computed for this purpose, as per the provisions of the Companies Act, 1956 (as amended from time to time) to the Managing Director & the Executive Chairman respectively, such that the total remuneration (including commission / bonus etc.), as decided by the Board of Directors in its absolute discretion, does not exceed the limits prescribed under Section 198 and 309 of the Companies Act, 1956. The Managing Director is also entitled to Bonus / Performance Incentive @ 0.05% of the Targeted Net Sales. The said Bonus / Performance Incentive & Commission is payable to the Managing Director, subject to the achievement of performance criteria / parameters laid down by the Executive Chairman / Board of Directors from time to time.



Annual increments are decided by the Remuneration Committee within the salary scale. The terms of remunerations are approved by the Shareholders at the Annual General Meeting and are effective as per their individual Agreements.

Remuneration to the Non-Executive Directors:

The Non-Executive Directors are paid a Commission upto a maximum of 1% of the net profits of the Company, as specifically computed for this purpose, as per the provisions of the Companies Act, 1956 (as amended from time to time) and as approved by the shareholders. The Non-Executive Directors are also paid sitting fees of ₹10,000/- for attending every Meeting of the Board of Directors, ₹8,000/- for attending every Meeting of the Audit Committee, ₹5,000/- for attending every Meeting of the Shareholders / Investors' Grievance Committee and ₹5,000/- for attending every Meeting of the Remuneration Committee.

The details of the remuneration paid / payable to all the Directors for the financial year 2012-13 are given below:-

(Rupees in lacs)

Sr. No.	Name of the Director	Salary \$	Benefits (Perquisites)	Commission £	Sitting Fees @	Total
1	Ms. A. B. Advani	116.41	6.04	2.81	-	125.26
2	Mr. S. M. Bhat #	84.28	1.23	-	-	85.51
3	Mrs. N. Malkani Nagpal	-	-	2.81	0.60	3.41
4	Mr. R. A. Mirchandani	-	-	2.81	0.68	3.49
5	Mr. A. T. Malkani	-	-	2.81	0.89	3.70
6	Mr. D. A. Lalvani	-	-	2.81	0.60	3.41
7	Mr. Anil Harish	-	-	2.81	0.59	3.40
8	Mr. M. K. Maheshwari	-	-	2.81	0.41	3.22
9	Mr. P. K. Gupta	-	-	2.81	0.40	3.21
10	Mr. R. N. Sapru	-	-	2.81	0.53	3.34
11	Mr. K. Digvijay Singh	-	-	2.81	0.54	3.35
12	Mr. Vippen Sareen	-	-	2.81	0.30	3.11
13	Mr. Raman Kumar *	10.45	0.09	3.08	-	13.62
TOTAL		211.14	7.36	33.99	5.54	258.03

\$ Includes Performance Incentive / Bonus, if applicable

@ As Member / Invitee, wherever applicable

w.e.f. 11th May, 2012

* upto 10th May, 2012

£ Excluding Service Tax w.r.t Non-Executive Directors

Notes:

- The Agreement with the Executive Chairman is for a period of Five years. Either party to the Agreement is entitled to terminate the Agreement by giving notice, as mentioned in the agreement, to the other party.
- The Agreement with the Managing Director is for a period of three years. Either party to the Agreement is entitled to terminate the Agreement by giving notice, as mentioned in the agreement, to the other party.



- According to the Articles of Association of the Company, all the Directors, except the Managing Director, are liable to retire by rotation.
- Presently, the Company does not have any stock option scheme for its Directors (other than the Commission / Performance Incentive or Bonus payable to them as explained in the above paragraphs).

5) Shareholders / Investors' Grievance Committee

Broad Terms of Reference / Functions of the Committee:

The Shareholders / Investors' Grievance Committee of the Board looks into the redressal of investors' complaints like non-receipt of Annual Report, dividend, Share Certificates, etc. and matters related to share transfers, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares, transfer / transmission of shares, other allied transactions and also delegates necessary powers to the executives of the Company, to process share transfers, etc.

The status on various complaints received and replied is also reported to the Board of Directors, as an Agenda item in every Board Meeting.

Composition, Number of Meetings held and Attendance:

During the financial year 2012-13 under review, four (4) Shareholders / Investors' Grievance Committee Meetings were held, i.e. on 26th April 2012, 20th July 2012, 25th October 2012 and 28th January 2013.

Mr. R. A. Mirchandani was elected as the Chairman of the Committee in the meeting of the Shareholders / Investors' Grievance Committee, held on 20th July, 2012.

Mr. R. A. Mirchandani is a Commerce Graduate and has a Masters Degree in Business Administration (MBA) from the Queensland University of Technology. He is presently working as Managing Director with M/s. VRV Asia Pacific Pvt. Ltd.

The composition of the Shareholders / Investors' Grievance Committee and attendance at its Meeting is given hereunder:

Sr. No.	Name of the Director Member	Position	Category	Attendance during FY 2012-13
1	Mr. R. A. Mirchandani*	Chairman	Non - Executive Director	4
2	Mrs. N. Malkani Nagpal^	Member (Ex-Chairman)	Non - Executive Director	4
3	Mr. A. T. Malkani	Member	Non - Executive Director	4
4	Mr. D. A. Lalvani	Member	Non - Executive Director	4

^ Till 26th April 2012

* From 27th April 2012

The Minutes of each of the Shareholders / Investors' Grievance Committee Meeting are placed before the Board of Directors and discussed in the Board Meeting.

Compliance Officer:

Mr. V. M. Bhide, Company Secretary, has been designated by the Board of Directors, as the Compliance Officer.



Details of shareholders' complaints received & replied and the status on the pending share transfers is given below:

- The total number of complaints received and replied to the satisfaction of the shareholders during the financial year 2012-13 was 18.
- There were no outstanding complaints as on 31st March, 2013.
- There are no pending share transfers in physical as well as in demat category. All the requests received upto 31st March, 2013 for share transfers have been processed by the Registrar & Share Transfer Agent of the Company.

The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director	Shareholding	
		As on March 31, 2013	As on May 15, 2013
1	Ms. A. B. Advani	2,95,480	2,95,480
2	Mr. S. M. Bhat	NIL	NIL
3	Mrs. N. Malkani Nagpal	57,352	57,352
4	Mr. R. A. Mirchandani	8,002	8,002
5	Mr. A. T. Malkani	1,03,626	1,03,626
6	Mr. D. A. Lalvani	20,822	20,822
7	Mr. Anil Harish	NIL	NIL
8	Mr. M. K. Maheshwari	NIL	NIL
9	Mr. P. K. Gupta	NIL	NIL
10	Mr. R. N. Sapru	NIL	NIL
11	Mr. K. Digvijay Singh	NIL	NIL
12	Mr. Vippen Sareen	NIL	NIL

6) General Body Meetings

Location and time of the last 3 (three) Annual General Meetings of the Company is given below:

Sr. No.	Financial Year	Date	Location	Time
1	2011-12	20 th July, 2012	Walchand Hirachand Hall, Mumbai	03.30 pm
2	2010-11	22 nd July, 2011	Walchand Hirachand Hall, Mumbai	03.30 pm
3	2009-10	31 st July, 2010	Walchand Hirachand Hall, Mumbai	03:30 pm

All the special resolutions moved at the last 3 Annual General Meetings were passed unanimously, by show of hands, by all the Members present at the Meeting and no special resolution was put through postal ballot.



The summary of outflow on account of Dividends & Dividend Tax for the last eight (08) years along with the percentage & type of Dividend is given below:

Sr. No.	Financial Year	Dividend %	Type	Dividend Outflow (Amt. ₹ in lacs)	Dividend Tax Outflow (Amt. ₹ in lacs)	Total Outflow (Amt. ₹ in lacs)	PAT (Amt. ₹ in lacs)	% of Dividend & Tax to PAT
A	B	C	D	E	F	G = (E+F)	H	I = (G/H) %
1	2012-13	60\$	Final	815.91	132.36	948.27	1,908.02	49.70
2	2011-12	60	Final	815.91	132.36	948.27	2,089.11	45.39
3	2010-11	60	Final	815.91	135.51	951.42	2,569.11	37.03
4	2009-10	60	Final	815.91	135.51	951.42	2,633.52	36.13
5	2008-09	40	Final	543.94	92.44	636.38	1,257.18	50.62
6	2007-08	80	Final	1,087.88	184.88	1,272.76	2,291.61	55.54
7	2006-07	120	Final	1,631.82	277.33	1,909.15	3,261.78	58.53
8	2005-06	150*	Interim, Final & Special	2,039.77	286.08	2,325.85	4,020.37	57.85

\$ subject to the approval by the Members at the ensuing AGM

* Interim @ 50%, Final @ 50% & Special @ 50%

7) Corporate Social Responsibilities

The Company, as a Corporate Citizen of the Country, is well aware of its social obligations. It has always participated in social reformation activities, mainly in the field of education and healthcare. It provides help to the needy ones for education, medical & during natural disasters, whenever possible. The Company continues to support various social causes on a need basis. As a good Corporate Citizen, the Company pays all the taxes, Government dues, cess, duties, etc. well on time because it believes that timely payment of taxes and levies is a way of fulfilling its social responsibilities.

8) Disclosures

8.1 Materially significant related party transactions:

During the financial year 2012-13 under review, there were no materially significant related party transactions of the Company with its Promoters, Directors or the Management, their subsidiaries or relatives, etc. that had a potential conflict with the interest of the Company at large.

8.2 Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during the last three financial years:

The Company has complied with all the rules & regulations prescribed by the Stock Exchanges, SEBI and all other statutory authorities relating to the capital markets during the last three financial years. There were no instances of levy of any penalties or strictures on the Company.



9) Means of Communication

9.1 The Company regularly publishes its Quarterly / Half-yearly & Annual Financial Results in newspapers, namely Business Standard (English) & Mumbai Sakal (Marathi), and simultaneously posts them on to the website of the Company – www.adorwelding.com. Hence, the financial results are not sent to the shareholders' residence. Annual Reports are emailed to the Shareholders, whose email ID's are registered with the Company / RTA and posted to the other shareholders who either do not have email ID's or whose email ID's are not registered with the Company / RTA / DPs.

9.2 The presentations are made to the Institutional Investors / Analysts, as and when required.

9.3 The Management Discussion & Analysis Report is an integral part of the Annual Report. (Refer Annexure III to the Directors' Report)

10) General Shareholder Information

Annual General Meeting:

Day, Date and Time	: Wednesday, 24 th July 2013 at 03.30 pm.
Venue	: Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai - 400 020, Maharashtra, India.
Financial Year	: 01 st April 2012 – 31 st March 2013
Book Closure Dates	: Thursday, 18 th July 2013 to Wednesday, 24 th July 2013
Dividend Payment Day and Date	: By Monday, 29 th July 2013
Financial Calendar for the year 2013-14	: Financial (unaudited) Reporting for the quarter ending June 2013 – by 14 th August 2013
	: Financial (unaudited) Reporting for the quarter ending September 2013 – by 14 th November 2013
	: Financial (unaudited) Reporting for the quarter ending December 2013 – by 14 th February 2014
	: Financial (audited) Reporting for the year ending March 2014 – by the end of May 2014.

Listing:

The name of the Stock Exchanges on which the Company's securities are listed and the Company's corresponding Stock Code is given below:

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Limited (BSE), Mumbai	517041
The National Stock Exchange of India Limited (NSE), Mumbai	ADORWELD



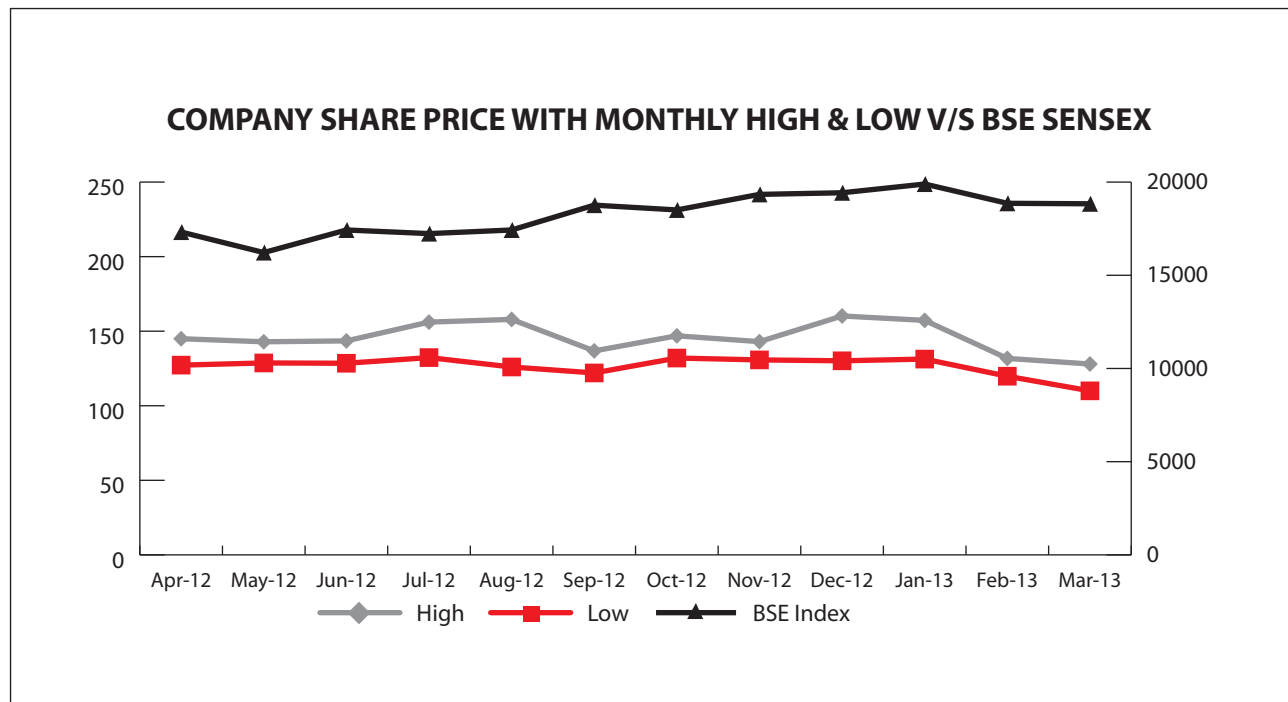
Market Price Data:

High / Low during each month of the last financial year 2012-13 is given hereunder:

Month	High	Low	No. of Shares	No. of Trades
April, 2012	144.95	127.25	82,069	2,388
May, 2012	142.90	128.70	34,447	688
June, 2012	143.50	128.50	20,502	750
July, 2012	156.10	132.30	62,020	1,389
August, 2012	157.90	126.00	1,52,340	3,931
September, 2012	136.80	122.00	69,390	1,903
October, 2012	146.90	132.00	89,258	5,639
November, 2012	143.00	130.75	18,920	1,419
December, 2012	160.20	130.15	3,21,584	9,847
January, 2013	157.25	131.30	1,71,653	6,613
February, 2013	131.75	119.80	24,483	1,268
March, 2013	128.00	110.00	26,231	1,621

Source – The Bombay Stock Exchange Ltd. (BSE), Mumbai

Performance in comparison to broad based indices such as BSE Sensex





Registrar & Share Transfer Agent:

- The name of the Registrar & Share Transfer Agent (RTA) of the Company is 'M/s. Sharex Dynamic (India) Pvt. Ltd.'
- The share transfer, for both physical and electronic (demat) segment, is handled by the Company's RTA at the following address:

Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072.
Maharashtra, INDIA

Contact Nos. : +91-22-28515606 / 44

Email : sharexindia@vsnl.com / sd_india@rediffmail.com

Share Transfer System:

Shares lodged for transfer at the RTA of the Company are normally processed within a period of 15 days from the date of lodgement, provided the documents are clear in all respects. All requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days. The Company Secretary and a couple of Senior Executives of the Company are empowered to approve the share transfers. Grievances and other miscellaneous correspondence on change of address, bank mandates, etc. received from the Members are generally processed either by the Investors Service Department or by the RTA of the Company within 7 working days.

Distribution of shareholding as on 31st March, 2013:

Sr. No.	Range of Shareholding	No. of shareholders	% of total shareholders	No. of shares held	% of total shareholding
1	1 - 100	8,211	49.20	4,58,681	3.37
2	101 - 200	3,739	22.40	5,95,987	4.38
3	201 - 500	3,761	22.53	11,10,352	8.17
4	501 - 1000	543	3.25	4,27,155	3.14
5	1,001 - 5,000	355	2.13	7,10,329	5.22
6	5,001 - 10,000	38	0.23	2,82,371	2.08
7	10,001 -1,00,000	36	0.22	12,17,141	8.95
8	1,00,001 and above	7	0.04	87,96,451	64.69
TOTAL		16,690	100.00	1,35,98,467	100.00

Shareholding pattern (category wise) as on 31st March, 2013:

Sr. No.	Category	No. of shares held	% of total shareholding
1	Promoters	77,08,207	56.68
2	Mutual Funds	15,27,621	11.23
3	Banks / Financial Institutions	1,742	0.01
4	FIs	3,925	0.03
5	NRIs / OCBs	4,64,480	3.41
6	Private Corporate Bodies	2,82,911	2.08
7	Resident Individuals & others	35,98,078	26.46
8	Clearing Members	11,503	0.09
TOTAL		1,35,98,467	100.00



Dematerialisation of shares and Liquidity:

- 1,27,29,246 equity shares of the Company, representing about 93.61% of the total shares of the Company, have been dematerialized as on 31st March, 2013.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in dematerialised form with effect from 08th May, 2000 and are available for trading on both the depositories in India, i.e. M/s. National Securities Depository Ltd. (NSDL) & M/s. Central Depository Services (India) Ltd. (CDSL).

Statutory Compliance:

During the financial year 2012-13 under review, the Company has generally complied with all the applicable provisions, filed all returns, forms etc. & furnished all the relevant particulars as required under the Companies Act, 1956 and allied Acts/Rules, the Securities & Exchange Board of India (SEBI) Regulations and the Listing Agreements.

Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity: Nil

Plant Locations:

The Company has the following manufacturing plants as of 31st March, 2013:

Chennai Plant	Chinchwad Plant
Melakottaiyur via Vandalur, Chennai - 600 048. Tamil Nadu, INDIA	Akurdi, Chinchwad, Pune - 411 019. Maharashtra, INDIA
Raipur Plant	Silvassa Plant
Bilaspur Road, Industrial Estate, Raipur - 493 221. Chattisgarh, INDIA	Survey No. 59/11/-1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230. U. T. of Dadra & Nagar Haveli, INDIA

During the Q4 of FY 2012-13, the Company relocated / consolidated its Pimpri Plant operations with Chinchwad Plant at Pune, Maharashtra, India.

Address for Correspondence:

ADOR WELDING LIMITED

Ador House, 4th Floor, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, INDIA.

B) Non Mandatory Requirements

- **Chairman of the Board:**
The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non - Executive Chairman does not arise.
- **Remuneration Committee:**
The Company has a Remuneration Committee. Please refer paragraph 4 under Mandatory Requirements.
- **Shareholder Rights:**
As the Company's financial results are published in English newspaper having a wide circulation all over India and in Marathi newspaper widely circulated in Mumbai (Maharashtra), the same are not sent to the shareholders of the Company, individually. The Company's Quarterly / Half Yearly / Annual Audited Results are also posted on to the Company's website.
- **Audit Qualifications:**
There are no qualifications in the Auditor's Report.
- **Training of Board Members:**
The necessary training will be provided to the Board Members, as and when required.
- **Mechanism to evaluate Non-Executive Board Members:**
The Board of Directors does not feel the necessity of evaluating the performance of its Non-Executive Directors.
- **Whistle Blower Policy:**
The Company has not yet formulated Whistle Blower Policy. Nonetheless, the Company takes cognizance of the complaints & suggestions made by the employees through 'I-suggest' forum or 'Talk to your MD' sessions, by initiating suitable corrective steps, wherever necessary.



**ANNUAL CERTIFICATION BY THE MANAGING DIRECTOR
DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF THE LISTING AGREEMENT**

As the Managing Director of Ador Welding Limited and as required pursuant to Clause 49 I (D) (ii) of the Listing Agreement, I hereby declare and certify that all the Board Members and Senior Management personnel of Ador Welding Limited have affirmed compliance with the Code of Conduct adopted by the Company for the Financial Year 2012-13.

For **ADOR WELDING LIMITED**

Place: Mumbai
Date: 15th May, 2013

S. M. Bhat
Managing Director

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To,
the Members of
Ador Welding Limited

We have examined the compliance of conditions of Corporate Governance by Ador Welding Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Dalal & Shah**
Firm Registration No. :102021W
Chartered Accountants

Place: Mumbai
Date: 15th May, 2013

S. Venkatesh
Partner
Membership Number: 037942



ANNEXURE III – TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. BUSINESS SCENARIO AND PERFORMANCE SNAPSHOT

During the Financial Year (FY) 2012-13, the Indian Economy experienced GDP growth slip to below 5%, mainly on account of slowdown in performance within manufacturing, agriculture and service sectors. In addition to a slowing GDP growth, the economy also experienced an average inflation in excess of 9% for FY 2012-13, with a peak inflation rate close to double digits in the third quarter of the year. Compounded to this was the liquidity crunch which was experienced industry-wide during the entire year. A major slowdown was observed in the power projects, construction / infra projects and auto sector, which are traditionally the growth engines for the Welding Industry. Data published by Ministry of Statistics demonstrates that the production of Welding Consumables and Equipments for the period April 2012 to December 2012 was lower by 20% & 7% respectively. Given the higher level of inflation, a large number of the expected CAPEX investments within relevant industries were postponed. This resulted in significant price pressure across most product lines within the welding industry in India and impacted a large number of industry participants by lowering profits.

Notwithstanding the unfavourable economic environment, your Company pursued an aggressive campaign to improve its market share and attain growth. The Company registered Revenue growth of 6.78% over last year. The Consumables business-line grew by 7.36% over last year, whilst the Equipment business-line which included the Project Engineering Business (PEB), grew by 5.03%. The marketing drive was spearheaded by a sustained expansion of our customer base, product range & distribution network. Continuous efforts over the last 3 years in improving the effectiveness of Field Sales Management, in retaining existing customers as well as in gaining new customers created a funnel of opportunities which will be harnessed on a continuous basis.

Even though the Consumables Business grew by over 7% in turnover & by over 10% in profitability, the profitability of Equipment Business (inclusive of PEB) dropped by over 13%. As a result of this, the overall PBT dropped by over 5% compared to last

year. This was mainly due to our inability to fully pass on the impact of Raw Material cost increases to customers, particularly in the Equipment Business.

Special products developed during the FY 2012-13 and offered to customers for critical applications of fabrication in the Oil & Gas Sector, Power sector and Equipment Fabrication with Technical Delivery Conditions (TDCs), were well accepted by them due to Stringent Quality Assurance practices followed by the Company. Our quality labs are regularly upgraded to provide certification of stringent performance qualifications demanded for new welding applications in the growing infra sector.

B. INDUSTRY STRUCTURE & DEVELOPMENT

The Industry continues to remain fragmented between organized players and un-organized players, both in the consumables and equipment sectors.

In the equipment sector, the market is fast moving towards inverter technology. Your Company has developed entire range of inverter technology equipments for all the processes.

C. OPPORTUNITIES & THREATS / RISKS

OPPORTUNITIES

Our preparedness in Product R&D to have the fastest time to market & our preparedness in Process R&D to offer quick solutions to all market segments including Transportation, Energy, Process Industries, Infrastructure, Shipbuilding, etc. makes us the preferred choice of our Customers. Our extensive manufacturing footprint and large manufacturing capacities will help us to be ready to meet the demand of any Geographic Segments & more pertinently, to meet any demand upswings in the shortest possible time. Our broad field force deployment enables us to be the fastest welding solution provider to all parts of the country.

THREATS / RISKS

The slowing down of the market, thereby creating a large surplus of supply over demand is a key threat. The liquidity crunch in the market increases risk of credit extensions. The Money supply cycle to Distributors is lengthened causing depletion in ROI & may result in lower focus for this business



segment by the distributors. Sluggish growth may not have the ability to give returns on all the new products and that can affect the business.

D. INCOME STATEMENT ANALYSIS

The total operating revenues for the year reported a growth of 6.78%. The total Consumable business for the year was over Rs.282 Crore registering a growth of about 7.35% compared to the previous year. The Equipment business was over Rs.82 Crore registering a growth of around 5 % compared to the previous year.

Other income earned was at Rs.3.61 Crore (LY Rs.3.51 Crore) which was mainly accrued from prudent Management of Investments and FOREX. The total Expenditure to Sales was higher at 94% (LY 93%) majorly on account of material costs to sales, which were 65 % (LY 64%). The sales product mix grew more in favour of solid wires, which conventionally have lower margins. We are continuously working towards improving the product mix through high-value electrodes and wires in the oil & gas, power, nuclear sectors and have obtained specific approvals as well as initial orders in this year. Strategic sourcing of raw materials is another area of focus that we have provided to adequately face challenges of this nature.

Manufacturing Costs to Materials have decreased to 9.97% as compared to 10.44% last year. Despite the increase in energy costs etc., the company's manufacturing plants managed to keep their expenses under control. Also various initiatives taken at plants like Lean Manufacturing etc. helped us reduce the expenses. Effective control measures are being continuously explored to see that the manufacturing expenses, as a ratio to sales are consistently optimised.

The effective tax rate for the year has increased from 26% to 28%, mainly due to the decrease in profits from Silvassa Unit. The EBIDTA was lower at Rs.40 Crore (LY Rs.41 Crore), despite higher sales, on account of the lower contribution per unit sales.

E. BALANCE SHEET ANALYSIS

The Company funded all its operating expenses and capital investments from internal accruals. However Investments decreased by Rs.3.62 Crore (LY increase Rs.10.58 Crore) as a result of encashment of surplus cash in Mutual Funds for investing in subsidiaries.

Due to improved and strict Management of Manufacturing Inventories, the inventory holding period was 44 days in the current year, as against 57 days in the previous year. This status is notwithstanding the strategic decision to hold inventory of critical long lead time raw materials. Debtors were at 73 days as at 31st March, 2013 which were 39 days last year, as at 31st March, 2012. Creditors as at 31st March, 2013 were at 55 days (LY 35 days), due to regular negotiations with critical suppliers for best price and supply terms.

F. OUTLOOK

The Outlook for the FY 2013-14 looks mixed, as of now, due to tight money circulation & supply, with no signs of increase in Capital investment in the near future. However your Company is confident to meet its targeted objective in the year by increasing its market share, which will mainly be fulfilled through offering new products to business lines in the existing & new markets and increasing our share with existing products in the new & existing markets. The key strategic differentiator will be our total solution rendering approach to our Customers. Our introduction of a new range of products & CNC cutting machines along with introduction of automation technology aided by game changing process technology - "Plasma MIG" from Plasma Laser Technologies (PLT), our overseas subsidiary, corroborates our position as most innovative & preferred partner for the Indian Customer.

Moreover, our strategy to also focus the bottom of the pyramid market with a new range of products & services should give a real boost to our market share, aided by the largest R&D set up within the Indian Welding industry, in the Private Sector will help us to have the fastest time to market for our products. As a learning organisation, which has embraced Lean Management as a part of its life, continuous improvement & business process innovation makes us improve our operational efficiency continuously. These will help us to take a sure footed step of growth towards our set goals for this year.

G. INVESTMENT IN SUBSIDIARIES

During the year the Company made two strategic investments in subsidiaries viz.

- i) Ador Welding Academy Private Limited and
- ii) Plasma Laser Technologies Limited.



Ador Welding Academy Pvt. Ltd. (AWAPL), provides consultancy in welding processes to the customers and also imparts quality training in the Welding space to create new welders & upgrade the skill sets of the existing welders.

Plasma Laser Technologies Ltd. (PLT), an overseas Company, was founded by a core group of scientists and welding engineers, previously from the Paton Welding Institute of Kiev, Ukraine, a world-leading institute in welding technologies. The Company is engaged in the development of High Tech Plasma MIG welding technology for manufacture of Automobiles, Ship building, Pipes, Wear Plates, etc.

H. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company strongly believes that effective internal controls are inherent to the principle of good corporate governance and freedom of Management should be exercised within the framework of appropriate checks & restraints.

The Company has therefore evolved a system of internal control comprising of authority level & power, supervision, checks & balances, planning & procedures. The system is reviewed and updated on an on going basis. These systems cover the following aspects of business process and reporting:

- Financial propriety of business transactions.
- Accurate reporting of the financial transactions, as per the applicable Accounting Standards.
- Efficient use and protection of resources of the Company.
- Compliance with the established Company policies, guidelines and statutes.
- The Company has in place a well defined Internal Audit System. The scope of the audit is approved by the Audit Committee. The audit plan is focused on the following objectives:
- All operational and related activities are performed efficiently & effectively.
- Review of all Management Risks.
- Significant legislative and regulatory provisions impacting the organization are recognized and addressed appropriately ensuring that all the relevant / applicable statutory compliances are complied with.

- Opportunities identified during audit for improving management control, process efficiency are communicated and acted upon.

The Audit Committee consisting of Independent Directors, reviews the Internal Audit Reports and offers necessary guidance with respect to their adequacy & scope.

The Company has a sound ERP system. During the year the Company undertook an exercise to check if the ERP system is being used optimally. It is our ardent resolve to see to it that the usage of the ERP system is maximised to improve the reporting aspects, thereby improving the effectiveness of our Cost Reduction mission and the efficiency & integrity of financial reporting, for improved decision making.

The strengthening of our ERP system has made our Financial and Accounting Management Systems more robust.

The Company has a very good compliance track record with all Legal and Statutory entities in the Country, and there is a regular audit mechanism to ensure that the Company does not violate any of the Legal or Statutory provisions applicable to the Company or Industry.

I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company firmly believes that the employees are its key assets which differentiate us from our competitors.

The HR initiatives in the Company are primarily aimed to address two critical objectives:

1. Improve our Business
2. Make our Company as one of the Best Places to Work.

In order to remain the best welding Company in Market, we are attracting and retaining motivated individuals. This includes offering industry-leading training & development programs and encouraging the ambitions & interests of our employees by supporting them with strong career development opportunities. We provide learning and growth opportunities not only to the experienced workforce but also to fresh talent. As a result of the above, our attrition rates have dropped significantly during the year. The Company had 776 employees as at 31st March, 2013.



ADOR WELDING LIMITED

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There are various Employee friendly HR policies designed taking into account employee specific needs. These HR policies are being reviewed and benchmarked with world class organizations. Many initiatives like 'TALK to your MD', 'MDs Town Hall' are aimed at empowering every employee in AWL to speak directly to top Management, give ideas, think innovation and discuss areas of improvement which will help plugging loopholes and gaps that

may exist in our work processes. Other Employee engagement initiatives such as Adorable Employee & Distributor of the Quarter, Long Service Awards have increased motivation and enthusiasm levels among employees. The Company has also implemented a suggestion scheme for encouraging participation of all categories of employees in the growth of the Company.

Disclaimer:

The information and opinion expressed in this section of the Annual Report may contain certain forward looking statements, which the Management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein.



INDEPENDENT AUDITORS' REPORT

To the Members of Ador Welding Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Ador Welding Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the

Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Dalal & Shah

Firm Registration number: 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership Number: 037942

**Mumbai,
15th May, 2013**



ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 7 of the Auditors' Report of even date to the Members of ADOR WELDING LIMITED on the financial statements for the year ended March 31, 2013.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted/taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
Therefore the provisions of clause 4 (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the said Order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor



education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable with the appropriate authorities.

(b) On the basis of our examination of the documents and records, and explanations and information given to us, there were no disputed dues in respect of custom duty, income-tax, wealth-tax and service-tax as at 31st March, 2013. The following disputed dues on account of Excise duty and sales tax have not been deposited with the appropriate authorities:

Nature of Dues	Amount (Rs. lacs)	Year to which it relates	Forum where the dispute is pending
Excise Duty	80.75	2001-02	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
	1.14	2006-07	
	16.28	1998-99,2008-09	Tribunal West Zone Mumbai
Sales Tax	23.15	1987-88, 1992-93	Lucknow High Court
	35.16	2003-2005	Joint Commissioner of Sales Tax-Jamshedpur

10. The Company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank as at the balance sheet date. The Company has not obtained any borrowings from any financial institution or by way of debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order, are not applicable to the Company.
13. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company. The provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of transaction and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further,

such securities have been held by the Company in its own name.

15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks during the year, are not prejudicial to the interest of the Company.
16. The Company has not raised any term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year, and also does not have any debentures outstanding as at the year end. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Dalal & Shah**
Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh
Partner

Mumbai
May 15, 2013

Membership Number : 037942



BALANCE SHEET AS AT 31ST MARCH, 2013

(Rupees in lacs)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,359.85	1,359.85
(b) Reserves and Surplus	2	17,102.92	16,149.47
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	140.36	107.38
(b) Deferred tax liabilities (Net)	4	43.58	56.04
(3) Current Liabilities			
(a) Short-term borrowings	5	0.00	0.00
(b) Trade payables	6	3,402.74	2,114.96
(c) Other current liabilities	7	1,734.47	1,876.80
(d) Short-term provisions	8	1,685.37	1,637.56
Total		25,469.29	23,302.06
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	9		
(i) Tangible assets		8,088.20	7,679.92
(ii) Intangible assets		18.02	20.89
(iii) Capital work-in-progress		45.40	198.08
(b) Non-current investments	10	786.64	350.02
(c) Long term loans and advances	11	203.47	281.67
(d) Other non-current assets	12	854.71	718.65
(2) Current Assets			
(a) Current investments	13	2,478.56	3,276.69
(b) Inventories	14	4,366.38	5,322.26
(c) Trade receivables	15	7,257.69	3,657.54
(d) Cash and Bank balances	16	353.55	534.29
(e) Short-term loans and advances	17	568.60	939.52
(f) Other current assets	18	448.07	322.53
Total		25,469.29	23,302.06
The Notes form an integral part of these financial statements			

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
& Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in lacs)

Particulars	Note No.	2012-13	2011-12
I. Revenue from operations	19	40,201.64	37,248.77
Less : Excise Duty		3,784.33	3,158.14
Revenue from operations (net)		36,417.31	34,090.63
II. Other Income	20	361.37	351.37
III. Total Revenue (I + II)		36,778.68	34,442.00
IV. Expenses:			
Cost of materials consumed	21	23,330.81	22,013.15
Purchase of Stock-in-Trade	21 A	180.13	122.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	209.25	(304.65)
Employee benefit expense	23	3,596.45	3,253.74
Finance costs	24	81.57	87.89
Depreciation and amortization expense		1,234.06	1,244.54
Other expenses	25	5,481.67	5,212.86
Total Expenses		34,113.94	31,629.94
V. Profit before tax (III - IV)		2,664.74	2,812.06
VI. Tax expense:			
Current tax		(769.00)	(737.00)
Deferred tax credit		12.46	8.84
Excess/(short) provision of taxes		(0.18)	5.21
VII. Profit for the year after tax (V - VI)		1,908.02	2,089.11
VIII. Earnings per equity share:			
Basic and Diluted	37	14.03	15.36
The Notes form an integral part of these financial statements			

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
Membership No.: 037942

V.M.Bhide
Head-Corporate Administration
& Company Secretary

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	(Rupees in lacs)	
	2012-13	2011-12
A) Cash Flow arising from Operating Activities		
Net Profit before Tax	2,664.74	2,812.06
Add/(Less) :		
a) Depreciation and amortization expense	1,234.06	1,244.54
b) Finance costs	81.57	87.89
c) Assets written off / discarded	5.30	4.96
d) Loss on Sale of Fixed Assets	2.83	4.26
e) Interest received from Banks and Others	(8.73)	(8.93)
f) Interest received on Govt. Securities	(18.76)	(3.31)
g) Income from Mutual Funds	(20.64)	(102.88)
h) Surplus on Sale of Investments	(133.52)	(100.82)
	1,142.11	1,125.71
Operating Profit before Working Capital Changes	3,806.85	3,937.77
Adjustment for :		
a) (Increase) in Trade and Other Receivables	(3,526.38)	(1,155.69)
b) Decrease in Inventories	955.88	(413.72)
	(2,570.50)	(1,569.41)
	1,236.35	2,368.36
Increase in Trade Payables	1,190.15	1,066.23
Cash Inflow From Operations	2,426.50	3,434.59
Add / (Less) :		
Direct Tax paid	(731.84)	(597.10)
Cash Inflow in course of Operating Activities	1,694.66	2,837.49
B) Cash Flow arising from Investing Activities		
Outflow:		
a) Acquisition of Fixed Assets	1,430.12	1,138.79
b) Purchase of Investments	4,526.76	7,568.79
c) Investments in Subsidiaries	552.90	-
Inflow:		
a) Proceeds from Sale of Fixed Assets	26.55	29.64
b) Proceeds from Sale of Investments	5,574.70	6,611.14
c) Interest Received on Fixed Deposits	8.73	8.93
d) Interest received on Investments	4.65	3.31
e) Income from Mutual Funds	20.64	102.88
	5,635.27	6,755.90
Net Cash (Outflow) in course of Investing Activities	(874.51)	(1,951.68)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(Rupees in lacs)	
Particulars	2012-13	2011-12
C) Cash Flow arising from Financing Activities		
Inflow :		
Finance Lease	42.68	33.34
Outflow:		
a) Finance costs	81.57	87.89
b) Dividend Paid	815.66	806.81
c) Dividend Tax Paid	132.36	132.36
	1,029.59	1,027.06
Net Cash (Outflow) in course of Financing Activities	(986.91)	(993.72)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	(166.76)	(107.91)
Add :		
Balance at the beginning of the year	382.33	490.24
Cash / Cash Equivalents at the close of the year - Refer Note 16	215.57	382.33

The Notes form an integral part of these financial statements

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
 Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
 Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
 & Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



NOTES TO THE FINANCIAL STATEMENTS :

Note 1 - Share Capital

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Authorised :		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs.10/- each	3,000.00	3,000.00
Issued, Subscribed and fully Paid Up:		
1,35,98,467 (Previous year 1,35,98,467) Equity Shares of Rs.10/- each, fully paid-up	1,359.85	1,359.85
Total	1,359.85	1,359.85

Note 1a - Reconciliation of shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
Equity shares:				
Shares outstanding at the beginning of the year	13,598,467	1,359.85	13,598,467	1,359.85
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,598,467	1,359.85	13,598,467	1,359.85

Note 1b - Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a par (face) value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.

Note 1c - Shares held by Holding Company

Particulars	As at 31st March, 2013 No. of shares	As at 31st March, 2012 No. of shares
Equity Shares		
J.B.Advani & Co. Private Limited	68,00,531	68,00,531

Note 1d - Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Shares				
J.B.Advani & Co. Private Limited	68,00,531	50.01	68,00,531	50.01
Reliance Capital Trustee Co. Limited	6,89,182	5.07	6,85,770	5.04
Total	74,89,713	55.08	74,86,301	55.05



Note 2 - Reserves and Surplus

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
General Reserve		
Balance at the beginning of the year	12,990.00	12,781.09
Add: Transfer from Profit and Loss Account	190.80	208.91
Balance at the end of the year	13,180.80	12,990.00
Capital Redemption Reserve Account	222.98	222.98
Surplus as per Profit and Loss Account		
Balance at the beginning of the year	2,936.49	2,001.41
Add: Adjustment on account of excess provision on dividend tax	-	3.15
Add: Net Profit for the year	1,908.02	2,089.11
Less: Transfer to Reserves	(190.80)	(208.91)
Less: Proposed Dividend	(815.91)	(815.91)
Less: Tax on proposed Dividend @	(138.66)	(132.36)
Balance at the end of the year	3,699.14	2,936.49
Total	17,102.92	16,149.47

@ Dividend proposed to be distributed to equity shareholders is Rs. 6/- (Previous year Rs.6/-) per equity share.

Note 3 - Long-Term Borrowings (Unsecured)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Long-term maturities of finance lease obligations	140.36	107.38
Total	140.36	107.38

Note 4 - Deferred Tax Liabilities (Net)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liability on account of :		
Depreciation	59.40	59.79
Capital Expenditure for Scientific Research	68.36	71.53
	127.76	131.32
Deferred Tax Assets on account of :		
Employee Benefits	78.72	73.57
VRS Payments	0.37	1.71
Provision for Doubtful Debts	5.09	-
	84.18	75.28
Net Deferred Tax Liability	43.58	56.04



Note 5 - Short Term Borrowings (Secured)

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Working Capital Loans from Banks (Refer Note below)	-	-
Total	-	-

(i) Working Capital facilities from Banks are secured by hypothecation of stocks and other tangible movable assets of the Company, both, present & future and book debts in favour of Bank of Baroda and HDFC Bank Limited. The said facilities are also secured by way of pari-passu charge on the entire plant & machinery and other moveable fixed assets of the Company and on the land and building at the Company's Silvassa Unit.

(ii) Guarantees given by banks to third parties amounting to Rs.804.61 lacs; (Previous year Rs. 848.05 lacs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 6 - Trade Payables

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Dues to Micro, Small and Medium Enterprises (Refer Note 30)	170.82	212.94
Others	3,231.92	1,902.02
Total	3,402.74	2,114.96

Note 7 - Other Current Liabilities

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Current maturities of finance lease obligations	30.00	20.30
Other current liabilities	1,319.77	1,391.31
Unclaimed Dividend	133.35	147.32
Advance against Sales and Services	141.29	219.57
Deposits from distributors	110.06	98.30
Total	1,734.47	1,876.80

Note 8 - Short-Term Provisions

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Excise Duty on Finished Goods Stock	358.03	342.84
Provision for Employee Benefits	331.85	294.79
Provision for Warranties	37.00	48.79
Provision for Proposed Dividend	815.91	815.91
Provision for Tax on Proposed Dividend	138.66	132.36
Provision for Wealth Tax	3.92	2.87
Total	1,685.37	1,637.56



NOTE 9 - Fixed Assets

(Rupees in lacs)

(A) Assets	GROSS BLOCK (AT COST / BOOK VALUE)				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012	For the Year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets										
Land - Freehold	206.11	-	-	206.11	-	-	-	-	206.11	206.11
Land - Leasehold (a)	48.77	-	0.65(c)	48.12	-	-	-	-	48.12	48.77
Buildings	5,308.22	705.35	(0.96)	6,014.53	2,290.06	301.36	(5.11)	2,596.53	3,418.00	3,018.16
Ownership Premises (b)	322.80	-	-	322.80	163.64	7.96	-	171.60	151.20	159.16
Plant and Machinery	11,375.37	524.50	137.53	11,762.34	8,297.11	687.09	120.04	8,864.16	2,898.18	3,078.26
Electrical Installations	790.04	118.98	(2.65)	911.67	371.23	66.50	(2.26)	439.99	471.68	418.81
Furniture and Fixtures	665.21	113.20	23.44	754.97	495.00	38.02	17.43	515.59	239.38	170.21
Office Equipments	111.31	87.70	9.73	189.28	88.55	14.54	8.53	94.56	94.72	22.76
Vehicles	482.29	41.66	85.26	438.69	299.44	54.09	72.12	281.41	157.28	182.85
Temporary Shed	3.02	-	-	3.02	3.02	-	-	3.02	-	-
Leased Assets - Vehicles	147.18	64.66	-	211.84	19.50	23.53	-	43.03	168.81	127.68
Research and Development Assets :										
Land Freehold	33.61	-	-	33.61	-	-	-	-	33.61	33.61
Buildings	92.34	-	1.85	90.49	91.83	-	5.87	85.96	4.53	0.51
Furniture & Fixture	0.37	-	0.37	0.00	0.07	-	0.07	-	-	0.30
Plant and Machinery	928.09	11.45	7.87	931.67	716.99	30.57	11.07	736.49	195.18	211.10
Air Conditioners	2.23	-	-	2.23	0.60	0.23	-	0.83	1.40	1.63
TOTAL	20,516.96	1,667.50	263.09	21,921.37	12,837.04	1,223.89	227.76	13,833.17	8,088.20	7,679.92
Intangible Assets										
Computer Software	276.00	6.65	-	282.65	255.11	9.52	-	264.63	18.02	20.89
TOTAL	20,792.96	1,674.15	263.09	22,204.02	13,092.15	1,233.41	227.76	14,097.80	8,106.22	7,700.81
Previous Year's Total	19,960.91	1,097.72	265.67	20,792.96	12,074.42	1,243.89	226.16	13,092.15	7,700.81	
(B) Capital Work-in-Progress									45.40	198.08
GRAND TOTAL									8,151.62	7,898.89

- (a) Leasehold Land includes Land Rs.39.32 lacs (Net of amortisation Rs.38.84 lacs) acquired by the Company on a co-ownership/lease basis for which conveyance deed is yet to be executed.
- (b) Includes :
- Rs.0.01 lac being the aggregate value of Shares in Co-operative Housing Societies.
 - Rs.4.17 lacs for Tenements in an Association of Apartment Owners.
- (c) Represents amount written off on account of amortisation of leasehold land Rs.0.65 lac; (Previous year Rs. 0.65 lac)
- (d) Net book value of assets, includes net book value of assets at the Company's Ahmednagar division aggregating Rs. 62.41 lacs, which have been retired from active use. As per the estimates made by the management, the net realisable value of such fixed assets would atleast be equal to the carrying value of the fixed assets. Hence, in the opinion of the management, no expected loss needs to be recognised.

(Rupees in lacs)

Particulars	2012-13	2011-12
Depreciation for the year	1,233.41	1,243.89
Add: Amortisation	0.65	0.65
Depreciation and amortization	1,234.06	1,244.54

Note 10 - Non-Current Investments (At Cost) (Unquoted)

(Rupees in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A) Long-Term Trade investments		
Investments in subsidiary companies		
i) Plasma Laser Technologies Ltd. 2,61,105 Series A Preferred shares of NIS 1.00 each	542.90	-
ii) Ador Welding Academy Pvt. Ltd. 1,00,000 Equity Shares of Rs.10/- each	10.00	-
B) Other Long-Term Investments		
i) 6 Years National Savings Certificates	0.03	0.02
ii) RECL Bonds (Non Convertible Redeemable Taxable Bonds)- Series VIII	50.00	50.00
iii) Bond Application money for RECL Bonds (Non Taxable Bonds)	-	300.00
iv) Tax Free Secured Redeemable Non-Convertible Bonds	183.71	-
Total	786.64	350.02



Note 11 - Long-Term Loans and Advances

Unsecured, considered good (unless otherwise stated)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Sundry Deposits	137.93	117.29
Loans to Employees	8.85	12.01
Capital Advances	56.20	147.55
Other Loans and Advances- - Prepaid Expenses	0.49	4.82
Total	203.47	281.67

Note 12 - Other Non-Current Assets

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Fixed Deposits for bank guarantees	56.70	54.75
Other Non Current Assets	1.31	6.09
VAT and Sales tax recoveries	791.70	657.81
Deposits with Banks with maturity of more than twelve months	5.00	-
Total	854.71	718.65

Note 13 - Current Investments (Quoted)

Current Investments (At lower of Cost or Fair Value)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
In Mutual Funds:		
Templeton India Short Term Income Plan Fund - Growth		
Nil (14,382.702 units) (Previous year NAV Rs.306.74 lacs)	-	295.00
Templeton India Short Term Income Plan Fund - Monthly Dividend		
Nil (8,962.228 units) (Previous year NAV Rs.103.99 lacs)	-	103.19
Templeton India Short Term Income Plan Fund - Quarterly Dividend		
Nil (7,760.618 units) (Previous year NAV Rs.90.00 lacs)	-	90.00



Note 13 - Current Investments (Quoted) (Contd.)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Reliance Income Fund - Growth Option		
Nil (11,47,667.509 units) (Previous year NAV Rs.399.41 lacs)	-	400.00
Tata Fixed Income Portfolio Fund - Scheme B3 Inst Quarterly Dividend		
Nil (10,00,000 units) (Previous year NAV Rs.100.07 lacs)	-	100.00
Tata Fixed Maturity Plan Series 38 A - Growth		
25,00,000 units of Rs.10/- each (25,00,000 units)		
NAV Rs.287.52 lacs (Previous year NAV Rs.262.92 lacs)	250.00	250.00
Tata Fixed Maturity Plan Series 39 F - Growth		
10,00,000 units of Rs.10/- each (10,00,000 units)		
NAV Rs.110.49 lacs (Previous year NAV Rs.100.71 lacs)	100.00	100.00
Kotak Fixed Maturity Plan Series 61- Growth		
20,00,000 units of Rs.10/- each (20,00,000 units)		
NAV Rs. 227.25 lacs (Previous year NAV Rs.206.70 lacs)	200.00	200.00
Kotak Fixed Maturity Plan Series 71- Growth		
10,00,000 units of Rs.10/- each (10,00,000 units)		
NAV Rs. 111.40 lacs (Previous year NAV Rs.101.26 lacs)	100.00	100.00
Kotak Fixed Maturity Plan Series 81- Growth		
10,00,000 units of Rs.10/- each (10,00,000 units)		
NAV Rs. 110.66 lacs (Previous year NAV Rs.100 lacs)	100.00	100.00
Kotak Bond Regular - Growth		
Nil (3,30,517.326 units) (Previous year NAV Rs.100.18 lacs)	-	100.00
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend		
Nil (10,85,063.824 units) (Previous year NAV Rs.114.03 lacs)	-	115.07
IDFC-SSIF-Short Term Income Plan A- Fortnightly Dividend		
Nil (25,35,101.256 units) (Previous year NAV Rs.259.72 lacs)	-	259.80
IDFC Fixed Maturity Plan Yearly Series 56 - Growth		
Nil (10,00,000 units) (Previous year NAV Rs.102.59 lacs)	-	100.00
Canara Robeco Income Fund - Growth		
Nil (13,41,331.408 units) (Previous year NAV Rs.300.30 lacs)	-	300.00



Note 13 - Current Investments (Quoted) (Contd.)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
JP Morgan Short Term Income Fund - Fort Nightly Dividend		
Nil (5,98,568.436 units) (Previous year NAV Rs.60.00 lacs)	-	60.00
JP Morgan Short Term Income Fund - Monthly Dividend		
Nil (6,96,383.804 units) (Previous year NAV Rs.70.00 lacs)	-	70.00
JP Morgan Short Term Income Fund - Growth		
Nil (7,26,972.221 units) (Previous year NAV Rs.85.00 lacs)	-	85.00
BNP Paribas Money Plus IP - Daily Dividend		
Nil (45,00,668.524 units) (Previous year NAV Rs.450.33 lacs)	-	450.33
Kotak Liquid Scheme Plan A - Growth		
3,640.725 units at Rs. 1,000/- each		
NAV Rs. 86.57 lacs	86.42	-
Reliance Floating Rate Fund - Short Term Plan - Growth Plan - Growth Option		
12,93,772.082 units of Rs. 10/- each		
NAV Rs. 239.17 lacs	238.99	-
Reliance Income Fund - Growth Plan - Bonus Option		
36,54,824.654 units of Rs. 10/- each (Includes Bonus 13,70,559.245 units)		
NAV Rs. 416.92 lacs	400.00	-
DSP Black Rock Short Term Fund - Regular Plan - Growth		
5,28,714.418 units of Rs. 10/- each		
NAV Rs. 105.46 lacs	105.27	-
BNP Paribas Flexi Debt Fund - Growth		
17,42,018.829 units of Rs.10/- each		
NAV Rs. 341.43 lacs	341.22	-
HDFC Short Term Plan - Growth		
11,37,479.726 units of Rs.10/- each		
NAV Rs. 257.08 lacs	256.66	-
Religare Bank Debt Fund - Growth		
10,000 units of Rs. 1,000/- each		
NAV Rs. 102.07 lacs	100.00	-



Note 13 - Current Investments (Quoted) (Contd.)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Religare Fixed Maturity Plan - Series XVIII - Plan C		
20,00,000 units of Rs.10/- each		
NAV Rs. 200.00 lacs	200.00	-
Less : Provision for Dimunition in Value of Investments		
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	-	(1.03)
IDFC-SSIF-Short Term Income Plan A- Fortnightly Dividend	-	(0.08)
Reliance Income Fund - Growth Option	-	(0.59)
Total	2,478.56	3,276.69

Note 14 - Inventories

(At Cost or Net Realisable Value, whichever is lower)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
1) Stores, Spares, Parts, etc.	292.17	295.91
2) Raw Materials and Components and Packing Material (includes in transit Rs.28.69 lacs; Previous year Rs.75.11 lacs)	1,474.96	2,233.04
3) Work in Progress	666.31	719.17
4) Finished Goods	1,851.12	1,976.64
5) Stock in trade	81.82	97.50
Total	4,366.38	5,322.26

Note 15 - Trade Receivables

(Unsecured, considered good)

Particulars	(Rupees in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
a) Outstanding for more than six months from the date they are due for payment *	551.59	332.23
b) Others (Unsecured, considered good)	6,706.10	3,325.31
c) Others (Unsecured, considered doubtful)	17.18	3.07
Less : Provision for doubtful debts	(17.18)	(3.07)
Total	7,257.69	3,657.54

* Includes an amount of Rs.176.49 lacs (Previous year Rs.163.22 lacs) on account of retention money of Project Engineering Business



Note 16 - Cash and Bank Balances

	(Rupees in lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents:		
i) Cash on hand	3.83	3.78
ii) Balances with Banks in Current Accounts	211.74	378.55
	215.57	382.33
Other Bank Balances:		
i) Earmarked Balances with Banks (Dividend accounts)	133.20	147.42
ii) Deposits with Banks with maturity of more than three months and less than twelve months	4.78	4.54
	137.98	151.96
Total	353.55	534.29

Note 17 - Short-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

	(Rupees in lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012
Loans and Advances to Employees	25.14	23.70
Loans and Advance to Related Parties	5.92	5.09
Balances with Central Excise, Customs and Port Trust	3.54	9.78
Sundry Deposits	5.33	55.19
Other Loans and Advances :-		
Advance to suppliers	220.38	462.74
Export Incentive Receivable	130.12	130.12
Others	107.01	145.45
Advance payment of Income Tax (Net of provisions)	71.16	107.45
Total	568.60	939.52

Note 18 - Other Current Assets

	(Rupees in lacs)	
Particulars	As at 31st March, 2013	As at 31st March, 2012
VAT and Sales Tax Receivables	323.78	294.72
Forward Exchange Difference Receivable	1.95	-
Receivable from subsidiary	11.30	-
Others	111.04	27.81
Total	448.07	322.53



Note 19 - Revenue from Operations

(Rupees in lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Products	40,108.21	37,099.21
Other Operating Revenue	93.43	149.56
Total	40,201.64	37,248.77

Details of sale of products (net of excise duty):

(Rupees in lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<u>Manufactured Goods</u>		
Electrodes	19,458.93	18,029.92
Wires & Fluxes	8,850.79	8,041.44
Equipments & Spares	5,233.56	5,868.96
Project Engineering Business	2,516.32	1,915.82
<u>Traded Goods</u>		
Welding products	264.28	84.93
Total	36,323.88	33,941.07

During the year there are no revenues to be recognised under the percentage of completion method.

Note 20 - Other Income

(Rupees in lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest received on Govt. Securities	18.76	3.31
Interest received from Banks and Others	8.73	8.93
Surplus on sale of current investments	133.52	100.82
Refund of Sales tax on Assessment	2.88	-
Income from Mutual Funds	20.64	102.88
Rent and Compensation	24.65	25.07
Royalty received	5.14	4.75
Exchange difference gain (net)	109.33	77.69
Other Non Operating Income	37.72	27.92
Total	361.37	351.37



Note 21 - Cost of Materials Consumed

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening Stock	2,157.93	2,193.02
Add: Purchases during the year	22,619.15	21,978.06
Less: Closing Stock	(1,446.27)	(2,157.93)
Total	23,330.81	22,013.15

Details of Raw Materials and Components consumed:

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Wires and Rods	12,236.67	11,756.53
Titanium Dioxide and Rutile Sand	3,847.23	2,875.09
Manganese	704.35	710.04
Metal, Nickel and Iron Powder	530.95	656.08
Electrical Components	1,122.90	885.70
Mechanical Fittings	2,623.96	2,713.73
Others	2,264.75	2,415.98
Total	23,330.81	22,013.15

Value of Imported and Indigenous Raw Materials and Components consumed:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs.in lacs	%	Rs.in lacs	%
Imported	2,138.85	9.17	1,302.27	5.92
Indigenous	21,191.96	90.83	20,710.88	94.08
Total	23,330.81	100.00	22,013.15	100.00

Note 21A - Details of Purchase of Stock-in-trade

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Welding products	180.13	122.41
Total	180.13	122.41



Note 22 - Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade

(Rupees in lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening Stock		
Finished Goods	1,976.64	1,360.84
Stock-in-trade	97.50	91.72
Work-in-Progress	719.17	863.73
	2,793.31	2,316.29
Closing Stock		
Finished Goods	1,851.12	1,976.64
Stock-in-trade	81.82	97.50
Work-in-Progress	666.31	719.17
	2,599.25	2,793.31
Add/(Less): Variation in Excise Duty on opening and closing stock of finished goods	15.19	172.37
Total	209.25	(304.65)

Details of Finished Goods

(Rupees in lacs)

Particulars	Closing Stock		Opening Stock	
	31.03.2013	31.03.2012	01.04.2012	01.04.2011
<u>Manufactured Goods</u>				
Electrodes	890.22	919.33	919.33	544.50
Wires & Fluxes	647.79	558.66	558.66	256.62
Equipment	313.11	498.65	498.65	559.72
Project Engineering Business	-	-	-	-
Total	1,851.12	1,976.64	1,976.64	1,360.84

Details of Stock-in-Trade

(Rupees in lacs)

Particulars	Closing Stock		Opening Stock	
	31.03.2013	31.03.2012	01.04.2012	01.04.2011
Welding Products	81.82	97.50	97.50	91.72
Total	81.82	97.50	97.50	91.72

Details of Work-in-Progress

(Rupees in lacs)

Particulars	Closing Stock		Opening Stock	
	31.03.2013	31.03.2012	01.04.2012	01.04.2011
Electrodes	286.11	270.49	270.49	375.11
Wires & Fluxes	224.81	259.88	259.88	276.70
Equipment	151.52	124.72	124.72	192.70
Project Engineering Business	3.87	64.08	64.08	19.22
Total	666.31	719.17	719.17	863.73



Note 23 - Employee Benefit Expense

	(Rupees in lacs)	
Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries and incentives	2,955.31	2,685.53
Contribution to Provident and other funds	227.93	220.74
Staff Welfare expenses	413.21	347.47
Total	3,596.45	3,253.74

Note 24 - Finance Costs

	(Rupees in lacs)	
Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Expense	30.31	25.54
Other borrowing costs	51.26	62.35
Total	81.57	87.89

Note 25 - Other Expenses

	(Rupees in lacs)	
Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Manufacturing expenses and other expenses - Refer Note 26	2,366.51	2,276.01
Electricity and Power expenses - Office	25.89	23.47
Rent	88.97	163.34
Freight	294.29	319.62
Legal and Professional fees	349.72	285.71
Insurance - Other than factory	21.81	25.26
Repairs and Maintenance - others	144.33	110.00
Travelling, conveyance and vehicle expenses	884.78	813.77
Directors Sitting Fees	5.54	6.15
Telephone, Postage & Telegram	200.85	182.35
Rates and Taxes - Office	63.42	36.13
Advertisement and Sales Promotion expenses	137.61	169.49
Commission paid	30.77	9.81
Bad Debts Written off	11.35	19.42
Provision for Doubtful Debts	15.00	3.07
Loss on sale of Fixed Assets	2.83	4.26
Assets written off/ discarded	5.30	4.96
Printing and stationery	57.85	59.78
Audit Fees - Refer Note 27	37.31	34.74
Miscellaneous Expenses	737.54	665.52
Total	5,481.67	5,212.86



Note 26 - Manufacturing and Other Expenses

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Consumption of Stores and spares	717.24	765.57
Power and Fuel	906.43	813.97
Repairs to Machinery	124.72	107.86
Repairs to Building	8.70	15.69
Other Manufacturing expenses	609.42	572.92
Total	2,366.51	2,276.01

Note 27 - Payments to Auditors

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Audit Fees	22.00	22.00
Tax Audit fees	7.25	7.25
Certification and other matters	7.25	4.75
Reimbursement of out of pocket expenses	0.81	0.74
Total	37.31	34.74

Value of Imported and Indigenous Stores and Spare parts consumed

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Rs.in lacs	%	Rs.in lacs	%
Imported	40.85	5.70	29.88	3.90
Indigenous	676.39	94.30	735.69	96.10
Total	717.24	100.00	765.57	100.00

Note 28 - Contingent Liabilities not provided for

Particulars	(Rupees in lacs)	
	As at 31.03.2013	As at 31.03.2012
a) Disputed Sales Tax as the matters are in appeal (advance paid Rs.9.21 lacs; Previous year Rs.9.21 lacs)	67.52	67.52
b) Disputed Excise duties as the matters are in appeal (advance paid Rs.2.04 lacs; Previous year Rs.3.15 lacs)	114.65	113.78
c) On account of bills discounted by the Company	129.81	999.98
d) Bonds / Undertakings given by the Company under Concessional duty / exemption scheme / Waiver of penalty to Customs Authorities	109.99	78.79
e) Standby Letter of Credit issued to Bank Hapoalim Ltd. for loans taken by a subsidiary	187.39	-
f) Other matters	82.85	72.09



Note 29 - Estimated amount of Contracts remaining to be executed

(Rupees in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
A) On Capital Account and not provided for (Net of advances)	422.19	312.90
B) Other commitments - In February-2013, Ador Welding Ltd. has committed to continue providing its financial support to M/s. Plasma Laser Technologies Ltd. (a subsidiary) during the years 2013 and 2014, whether by an additional capital contribution or by long term loans, as warranted.		

Note 30 - Trade payables in Note 6 include

(Rupees in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	170.82	212.94
Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	3.55	0.80
Interest due and payable towards suppliers registered under MSMED Act, 2006 for payments already made	-	-
Principal amounts paid to suppliers registered under the MSMED Act, 2006 beyond the appointed day during the year	-	-
Interest paid under section 16 of the MSMED Act, 2006 paid to suppliers registered under the MSMED Act, 2006 beyond the appointed day during the year	-	-

Note 31 - In the opinion of the Management, no item of current assets, including inventories has a value on realisation in the ordinary course of business, which is less than the amount at which it is stated in the Balance Sheet.

Note 32 - Revenue expenditure incurred during the year on Research and Development, through the natural heads of account, amounts to Rs. 448.76 lacs (Previous year Rs. 253.62 lacs) (including Depreciation Rs. 30.80 lacs; Previous year Rs. 36.66 lacs) and Capital expenditure thereof amounts to Rs.11.45 lacs (Previous year Rs. 64.27 lacs).



Note 33 - A) Details of C.I.F. value of Imports (including in-transit)

Particulars	(Rupees in lacs)	
	2012-13	2011-12
Raw Materials and Components	2,082.07	1,232.88
Capital Goods	39.84	378.10
Spares, etc.	55.16	39.83
Purchase of goods for resale	280.11	87.33
B) Details of Expenditure in Foreign Currency		
Travelling	83.24	45.66
Staff Training	0.06	0.02
Bank charges	15.95	20.04
Others (including Branch Office expenses)	181.84	170.11

Note 34 - A) Details of Earnings in Foreign Exchange

	(Rupees in lacs)	
	2012-13	2011-12
F.O.B. Value of Exports (Net of Returns)	4,634.57	3,391.50
Commission received	24.50	3.71
Service charges received	1.61	-
B) *Details of Dividend remitted to Non-Resident shareholders in Foreign Currency		
Number of Non-Resident Shareholders	66	67
Number of Equity Shares held	9,463	9,613
Financial Year ended for which dividend is remitted	2011-12	2010-11
Amount of dividend remitted (Rs. in lac)	0.57	0.58

* excluding dividend credited to the shareholders' Non-Resident External Accounts with banks in India.



Note 35 - Segment Information

A) Business Segment

(Rupees in lacs)

Particulars	Consumables		Equipments & Project Engineering		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue						
External Revenue	28,214.91	26,281.15	8,202.40	7,809.48	36,417.31	34,090.63
Inter Segment Revenue	-	-	-	-	-	-
Total Revenue	28,214.91	26,281.15	8,202.40	7,809.48	36,417.31	34,090.63
Segment Result before Interest and tax	3,116.14	2,832.30	783.16	903.37	3,899.30	3,735.67
Add / (Less) :						
Unallocable expenses (Net of unallocable income)					(1,152.99)	(835.72)
Interest and Finance charges (net)					(81.57)	(87.89)
Excess / (Short) Provision of Taxes In respect of earlier years (net)					(0.18)	5.21
Provision for taxes (Net of Deferred Tax)					(756.54)	(728.16)
Net Profit	3,116.14	2,832.30	783.16	903.37	1,908.02	2,089.11
Other Information						
Segment Assets	13,988.79	12,476.56	6,310.81	5,595.29	20,299.60	18,071.85
Unallocated Assets	-	-	-	-	5,169.69	5,230.21
Total Assets	-	-	-	-	25,469.29	23,302.06
Segment Liabilities	3,252.16	2,168.78	2,002.12	1,726.16	5,254.28	3,894.94
Unallocated Liabilities	-	-	-	-	1,752.24	1,897.80
Total Liabilities	-	-	-	-	7,006.52	5,792.74
Capital Expenditure						
Segment Capital Expenditure	427.00	793.88	223.76	142.81	650.76	936.69
Unallocated Capital Expenditure	-	-	-	-	870.71	260.09
Total Capital Expenditure (Tangible and Intangible Assets)	-	-	-	-	1,521.47	1,196.78
Depreciation and Amortisation						
Segment Depreciation and Amortisation	836.56	849.44	279.63	312.67	1,116.19	1,162.11
Unallocated Depreciation and Amortisation	-	-	-	-	117.87	82.43
Total Depreciation and Amortisation	-	-	-	-	1,234.06	1,244.54
Significant Non-Cash Expenditure						
Segment Significant Non-Cash Expenditure	5.30	-	-	4.20	5.30	4.20
Unallocated Significant Non-Cash Expenditure	-	-	-	-	-	0.76
Total Significant Non-Cash Expenditure	-	-	-	4.20	5.30	4.96



B) Geographical Segment

(Rupees in lacs)

Particulars	India		Outside India		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	31,766.71	30,695.42	4,650.60	3,395.21	36,417.31	34,090.63
Carrying Amount of Segment Assets	19,071.75	17,645.01	1,227.85	426.84	20,299.60	18,071.85
Additions to Fixed Assets (Tangible & Intangible Assets)	631.83	936.69	18.93	-	650.76	936.69

C) Other Disclosures

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS - 17) taking into account the organisation structure as well as differential risks and returns of these segments.
2. The Company has disclosed Business Segment as the primary segment.
3. Types of Products and Services in each Business Segment:

Business Segment	Types of Products and Services
a) Consumables	- Electrodes, Wires, Agency Items related to consumables.
b) Equipment & Project Engineering	- Equipment, Spares, Cutting Products and Agency items related to Equipment and Cutting Products & Design, Engineering, Procurement and Commissioning of Flares, Incinerators, Furnaces, etc.

4. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Note 36 - Related Parties Disclosure

A) Relationships:

Relationship	Name of the Person / Company
a) Holding Company	J. B. Advani & Co. Pvt. Ltd.
b) Subsidiary Company & Fellow subsidiaries	Plasma Laser Technologies Ltd., Ador Welding Academy Pvt. Ltd. Plasma Laser Technologies, North America Inc. Aluminium Hybrid Systems Ltd.
c) Investor having significant influence and its associates	Ador Powertron Limited Ador Fontech Limited Ador Multiproducts Limited
d) Other related parties where significant influence exists	Cryolor Asia Pacific Pvt. Ltd.
e) Key Management Personnel	Ms. A. B. Advani Mr. Raman Kumar Mr. S. M. Bhat
f) Relatives of Key Management Personnel where transactions have taken place	No transactions have taken place during the year.



B) Transactions:

(Rupees in lacs)

Particulars	Holding Company	Subsidiary Company & Fellow Subsidiaries	Investors having significant influence and its Associates	Other related parties where significant influence exists	Key Management Personnel
Sales and Services					
Goods, Materials and Services {Ador Multiproducts Ltd. Rs. 473.96 lacs, (Rs.551.34 lacs), Ador Fontech Ltd. Rs.380.33 lacs (Rs.186.29 lacs)}	34.71 (39.14)	35.82 (-)	874.27 (757.16)	8.09 (85.01)	- (-)
Other Income					
Rent {Ador Fontech Ltd. Rs.3.84 lacs (Rs.4.52 lacs), Ador Powertron Ltd. Rs.2.80 lacs (Rs.2.94 lacs)}	- (-)	0.73 (-)	6.64 (7.46)	- (-)	- (-)
Royalty {Ador Fontech Ltd. Rs.2.93 lacs (Rs.3.10 lacs) Ador Powertron Ltd. Rs. 1.75 lacs (Rs.1.65 lacs)}	- (-)	- (-)	4.91 (4.75)	- (-)	- (-)
Other Receipts	17.02	-	15.76	-	-
Recovery of Expenses	(7.51)	(-)	(12.09)	(-)	(-)
Purchases					
Goods and Agency Items {Ador Fontech Ltd. Rs. 1.16 lacs, (Nil) Ador Powertron Ltd. Rs.2.92 lacs (Rs.7.19 lacs)}	1,013.99 (1,290.67)	- (-)	4.60 (8.75)	- (-)	- (-)
Fixed Assets {Ador Powertron Ltd. Rs.64.55 lacs}	-	(-)	72.60 (-)	- (-)	- (-)
Expenses					
Remuneration	-	-	-	-	255.97 (235.44)
Reimbursement of Expenses	28.58 (12.63)	-	19.38 (-)	- (-)	- (-)
Outstanding					
Receivables {Ador Fontech Ltd. Rs.42.00 lacs, Ador Multiproducts Ltd. Rs.7.38 lacs}	13.03 (-)	36.55 (-)	62.86 (5.08)	8.06 (10.65)	- (-)
Other Receivables	-	11.30 (-)	-	-	-
Payables {Ador Powertron Ltd. Rs.1.23 lacs}	197.49 (-)	8.14 (-)	1.49 (-)	-	-
Investment in subsidiary					
Plasma Laser Technologies Ltd.	-	490.87	-	-	-
Ador Welding Academy Pvt. Ltd.	-	10.00	-	-	-

(Figures in brackets indicate Previous year)

Notes: 1. Related Party relationship is as identified by the Company and relied upon by the Auditors.

2. The Company has issued Standby Letter of Credit to Bank Hapoalim Ltd. for Rs.187.39 lacs towards security for loan taken by Plasma Laser Technologies Ltd.



Note 37 - Computation of Profit for Earnings per Share

Particulars	(Rupees in lacs)	
	2012-13	2011-12
Profit for the year after tax	1,908.02	2,089.11
Weighted average number of shares outstanding	1,35,98,467	1,35,98,467
Basic and Diluted Earnings per share	14.03	15.36

Note 38 - Disclosure in respect of derivative instruments

Foreign currency exposures that are not hedged by derivative instruments :

Particulars	USD	EURO	DHMS
i) Debtors	18,26,506.54	-	-
ii) Creditors	1,68,729.40	44,546.19	-
iii) Other Advances/Deposits	86,174.00	12,138.62	1,46,985.28
iv) Bank Balance	83,625.88	-	15,817.51
v) Other Liability	-	-	7,190.00

Note 39 - Employee Benefits

- a) An amount of Rs.118.23 Lacs (Previous year Rs.106.86 lacs) towards Defined Contribution Plans is recognised as expense in the Profit and Loss Account.
- b) The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation.

Particulars	(Rupees in lacs)	
	2012-13	2011-12
<u>Change in present value of obligation</u>		
Obligation at beginning of the year	328.49	304.64
Current Service Cost	30.04	22.56
Interest Cost	29.32	21.59
Actuarial (gain) / loss	8.00	17.01
Benefits paid	(93.31)	(37.32)
Obligation at the end of the year	302.54	328.49
<u>Change in Plan assets</u>		
Fair value of Plan assets at beginning of the year	281.52	273.68
Expected return on plan assets	22.62	18.05
Actuarial gain / (loss)	(22.78)	(3.86)
Contributions	46.97	30.96
Benefits paid	(93.31)	(37.32)
Fair value of plan assets at the end of the year	235.02	281.52
<u>Reconciliation of present value of the obligation and the fair value of plan assets and amount recognized in the balance sheet:</u>		
Present value of the Defined Benefit Obligation at the end of the year	302.54	328.49
Fair value of plan assets at the end of the year	(235.02)	(281.52)
Net liability / (Asset) recognized in the Balance Sheet	67.52	46.97



(Rupees in lacs)

Particulars	2012-13	2011-12
<u>Gratuity cost recognized for the year:</u>		
Current Service cost	30.04	22.56
Interest cost	29.32	21.59
Expected return on plan assets	(22.62)	(18.05)
Actuarial (gain) / loss	30.78	20.87
Net gratuity cost	67.52	46.97
Break-up of Plan Assets at the end of the year		
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Schemes	0%	0%
Equity shares of Listed Companies	0%	0%
Insurer Managed Funds	100%	100%
Others	0%	0%
Assumptions:		
Interest rate	7.85%	8.25%
Estimated rate of return on plan assets	7.50%	7.50%
Rate of growth in salary levels*	8.00%	8.00%

* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Defined Benefit Plan for 5 Years

Gratuity	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Net Asset/(Liability) recognised in Balance Sheet					
(a) Present Value of Obligation at the close of the year	302.54	328.49	304.64	277.69	295.31
(b) Fair Value of Plan Assets at the close of the year	235.02	281.52	273.68	279.27	228.24
(c) Asset / (Liability) recognised in the Balance Sheet	(67.52)	(46.97)	(30.96)	1.58	(67.07)
Change in Defined Benefit Obligation (DBO) during the year ended					
Actuarial (Gain) / Loss	8.00	17.01	10.18	(30.09)	72.52
Change in the Fair Value of Plan Assets					
Actuarial Gain / (Loss)	(22.78)	(3.86)	(0.40)	(7.76)	(1.70)



c) Provident Fund Liability

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Company.

In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below.

The following table gives the reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation:

Particulars	(Rupees in lacs)	
	2012-13	2011-12
<u>Change in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	842.18	-
Current Service Cost	46.25	-
Interest Cost	67.96	-
Actuarial (gain)/loss	93.59	-
Employees contribution	79.60	-
Liabilities assumed on Acquisition / (settled on Divestiture)	51.31	-
Benefits paid	(205.57)	-
Closing Defined Benefit Obligation	975.32	842.18
<u>Change in Fair Value of Assets</u>		
Opening Fair value of Plan assets	821.10	-
Expected return on plan assets	59.53	-
Actuarial gain / (loss)	90.34	-
Employer contributions during the period	46.25	-
Employee contributions during the period	79.60	-
Assets acquired on Acquisition / (distributed on Divestiture)	51.31	-
Benefits paid	(205.57)	-
Closing Fair value of Plan Assets	942.56	821.10
<u>Break-up of Plan Assets at the end of the year</u>		
Government of India Securities	25%	25%
Corporate Bonds	33%	33%
Special Deposit Schemes	30%	30%
Equity shares of Listed companies	10%	10%
Others	2%	2%
Assumptions:		
Discount rate	7.85%	8.65%
Expected rate of return on assets	7.53%	7.62%
Discount rate for the remaining term to maturity of the investment	7.94%	8.60%
Average historic yield on the investment	7.62%	7.57%
Guaranteed rate of return	8.50%	8.25%



Note 40 - Lease Rental Obligation (Operating Lease)

(Rupees in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Amount due within one year	21.70	37.37	136.88
Amount due from one year to five years	41.51	28.74	410.40
Amount due from five years and above	106.64	90.90	85.54

Note 41 - Lease Obligation (Finance Lease)

Net carrying amount of carrying assets as at Balance Sheet date - Rs.168.81 lacs

The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(Rupees in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Minimum lease rentals payable as on Balance Sheet date	182.85	158.36	120.48
Present value of Minimum lease rentals payable	162.53	140.77	104.58

(Rupees in lacs)

Particulars	Minimum Lease Payment		Present Value of Minimum Lease Payments	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Amount due within one year	72.81	51.96	64.72	46.19
Amount due from one year to five years	110.04	106.40	97.81	94.58
Amount due from five years and above	-	-	-	-
TOTAL	182.85	158.36	162.53	140.77

Note 42 - Significant accounting policies and practices adopted by the Company are as disclosed in the Statement annexed to these Financial Statements as Annexure-I

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
 Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
 Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
 & Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



ANNEXURE - I

ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

Statement of Significant Accounting Policies and Practices

I) Basis of preparation of financial statements :-

The financial statements have been prepared under the historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable Accounting Standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current-non current classification of assets and liabilities.

II) Use of Estimates :-

The preparation of financial statements, in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

III) Recognition of Income and Expenditure :-

1. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods by the Company.
2. Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook Scheme is accounted in the year of export as Export Incentives.
3. Other Revenue / Income and Cost / Expenditure are generally accounted on accrual, as they are earned or incurred.

IV) Fixed Assets :-

1. Fixed Assets are accounted by the Company on the basis of historical costs. Gains or Losses arising on disposal are recognised in the statement of Profit and Loss Account of the relevant financial year.
2. Method of Depreciation / Amortisation:
 - a) Depreciation on all assets (except Freehold Land and Leased Vehicles) is provided on the written down value method at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is shorter.
 - b) Cost of leasehold land is amortised over the period of lease.
 - c) Depreciation on additions / deletions is charged on pro-rata basis, upto the month of purchase / including the month of sale.

V) Investments :-

Long Term Investments are stated at 'Cost'. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments. Current Investments are stated at lower of cost and fair value.

VI) Valuation of Inventories :-

Inventories of Raw Materials and Components, Work in progress, Finished Goods, Goods for Trade, Stores, Spares and Packing Materials are stated 'at cost or net realisable value, whichever is lower'. Goods in Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in



bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

Cost formula used is 'Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

VII) Foreign Currency Translations :-

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place;

Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;

In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contracts is recognised during the year.

Accounting of foreign branches / integral operations:-

- a. Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet.
- b. Fixed assets and depreciation thereon, are converted at the exchange rates prevailing on the date of acquisition of the respective asset.
- c. Revenue items, excluding depreciation, are converted at the monthly exchange rates prevailing on the date of the transaction.

VIII) Research and Development :-

1. Revenue expenditure on Research and Development (including overheads) are charged out as expense through the natural heads of account in the year in which they are incurred.
2. Expenditure of a capital nature on Research and Development is debited to Fixed Assets and depreciation is provided on such assets, as are depreciable.

IX) Retirement and Other Employee Related Benefits :-

- a. Short term employee benefits - All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.
- b. Post Employment / Retirement Benefits - Defined Contribution Plans such as Government Pension Fund etc., are charged to the Profit and Loss Account as incurred.
- c. Defined Benefit Obligation Plans - The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method, carried out (approximately) at the close of the year. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

In respect of certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

The present value of obligation under Interest Rate Guarantee on Exempt Provident Funds, is determined based on an actuarial valuation, using the Projected Unit Credit Method, carried out at the close of the year.



- d. Other Long Term Employee Benefits are recognised in the same manner as Defined Benefit Plans.
- e. Termination Benefits are charged to the Profit and Loss Account in the year in which they are incurred.

X) Assets taken on Lease :-

For assets taken under operating lease, lease rentals payable are charged to the Profit and Loss Account.

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as Finance Leases. Such assets are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Each lease rental paid is allocated between the liability of the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

XI) Taxation :-

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization.

XII) Impairment of Assets :-

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Impairment losses recognised in prior accounting periods are reversed if there has been any change in the estimate of the recoverable amount.

XIII) Borrowing Costs :-

Interests and other borrowing costs attributable to qualifying assets are capitalised. Other interests and borrowing costs are charged to revenue.

XIV) Provisions, Contingent Liabilities and Contingent Assets :-

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

XV) Provision for Warranty :-

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Company. It is expected that this expenditure will be incurred over the contractual warranty period.

XVI) Revenue from contracts :-

Revenue from fixed price contracts is recognized using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ador Welding Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Ador Welding Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of four subsidiaries which constitute total assets of Rs. 1711.83 lacs and net assets of Rs. 368.27 lacs as at March 31, 2013, total revenue of Rs. 109.65 lacs, net loss of Rs. 175.29 lacs and net cash flows amounting to Rs. 117.68 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Dalal & Shah

Firm Registration number: 102021W

Chartered Accountants

S. Venkatesh

Partner

**Mumbai,
15th May, 2013**

Membership Number: 037942



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(Rupees in lacs)

Particulars	Note No.	As at 31st March, 2013
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	2	1,359.85
(b) Reserves and Surplus	3	16,868.69
(2) Minority Interest		
-		
(3) Non-Current Liabilities		
(a) Long-term borrowings	4	741.80
(b) Deferred tax liabilities (Net)	5	43.60
(c) Long Term Provisions	6	59.55
(4) Current Liabilities		
(a) Short-term borrowings	7	0.89
(b) Trade payables	8	3,512.74
(c) Other current liabilities	9	2,244.37
(d) Short-term provisions	10	1,765.46
Total		26,596.95
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets	11	
(i) Tangible assets		8,127.50
(ii) Intangible assets		18.43
(iii) Capital work-in-progress		45.40
(iv) Goodwill on consolidation		1,357.31
(b) Non-current investments	12	233.74
(c) Long-term loans and advances	13	203.72
(d) Other non-current assets	14	854.71
(2) Current Assets		
(a) Current investments	15	2,478.56
(b) Inventories	16	4,465.38
(c) Trade receivables	17	7,265.36
(d) Cash and Bank balances	18	474.16
(e) Short-term loans and advances	19	603.50
(f) Other current assets	20	469.18
Total		26,596.95
The Notes form an integral part of these consolidated financial statements		

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
& Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



ADOR WELDING LIMITED
60th Annual Report 2012-13



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in lacs)

Particulars	Note No.	2012-13
I. Revenue from operations	21	40,279.30
Less : Excise Duty		3,784.23
Revenue from operations (net)		36,495.07
II. Other Income	22	380.44
III. Total Revenue (I + II)		36,875.51
IV. Expenses:		
Cost of materials consumed	23	23,332.59
Purchase of Stock-in-Trade		187.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	247.28
Employee benefit expense	25	3,747.75
Finance costs	26	98.27
Depreciation and amortization expense		1,237.71
Other expenses	27	5,579.58
Total Expenses		34,430.77
V. Profit before tax (III - IV)		2,444.74
VI. Tax expense:		
(1) Current tax		(769.00)
(2) Deferred tax credit		12.44
(3) Excess/(short) provision of taxes		(0.18)
VII. Profit before Minority Interest (V - VI)		1,688.00
VIII. Minority Interest		-
IX. Profit for the year (VII - VIII)		1,688.00
X. Earnings per equity share:		
Basic & Diluted	28	12.41
The notes form an integral part of these consolidated financial statements		

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
 Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
 Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
 & Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in lacs)

Particulars	2012-13
A) Cash Flow arising from Operating Activities	
Net Profit before Tax	2,444.74
Add/(Less) :	
a) Depreciation and amortization expense	1,237.71
b) Finance costs	98.27
c) Assets written off / discarded	5.30
d) Loss on Sale of Fixed Assets	2.83
e) Interest received from Banks and Others	(8.73)
f) Interest received on Govt Securities	(18.76)
g) Income from Mutual Funds	(20.64)
h) Surplus on Sale of Investments	(133.53)
	1,162.45
Operating Profit before Working Capital Changes	3,607.19
Adjustment for :	
a) (Increase) in Trade and Other Receivables	(3,504.96)
b) Decrease in Inventories	992.08
	(2,512.88)
Increase in Trade and other Payables	1,094.31
Cash Inflow From Operations	1,091.54
Add :	
Direct Tax paid	(731.84)
Cash Inflow in the course of Operating Activities	1,454.01
B) Cash Flow arising from Investing Activities	
Outflow :	
a) Acquisition of Fixed Assets	1,435.66
b) Acquisition of a Subsidiary	78.58
c) Purchase of Investments	4,526.76
	6,041.00
Inflow :	
a) Proceeds from Sale of Fixed Assets	26.55
b) Proceeds from Sale of Investments	5,574.69
c) Interest Received on Fixed Deposits	8.73
d) Interest received on Investments	7.39
e) Income from Mutual Funds	20.64
	5,638.00
Net Cash (Outflow) in the course of Investing Activities	(403.00)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in lacs)

Particulars	2012-13
C) Cash Flow arising from Financing Activities	
Inflow :	
Finance Lease	42.68
Outflow :	
a) Finance costs	98.27
b) Dividend Paid	815.66
c) Dividend Tax Paid	132.36
d) Term Loans and other Borrowings (net)	82.27
	1,128.56
Net Cash (Outflow) in the course of Financing Activities	(1,085.88)
D) Change in Currency Fluctuation Reserve arising on consolidation	(14.21)
Net (Decrease) in Cash/Cash Equivalents (A+B+C+D)	(49.08)
Balance at the beginning of the year	382.33
Add : Acquisition of Subsidiary	2.93
	336.18
Cash/Cash Equivalents at the close of the year - Refer Note 18	
The Notes form an integral part of these consolidated financial statements	

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
 Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
 Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
 & Company Secretary**

Joseph Mani
Chief Financial Officer S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS :

Note 1 - General Information

The consolidated financial statements relate to Ador Welding Limited ('the Company') and its subsidiary companies. These are the first consolidated financial statements of the Company. Accordingly, the comparative figures for the previous period are not presented. The following subsidiary companies are considered in the consolidated financial statements:

Name of Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiaries as at 31 st March, 2013
Ador Welding Academy Private Ltd.	India	100 % Subsidiary (w.e.f 24 th July, 2012)
Plasma Laser Technologies Ltd.	Israel	77% Subsidiary (w.e.f.15 th January, 2013) *
Plasma Laser Technologies, NA, Inc.	USA	100 % Subsidiary of Plasma Laser Technologies Ltd.
Aluminium Hybrid Systems Ltd.	Israel	94.73 % Subsidiary of Plasma Laser Technologies Ltd.

* in terms of employment contracts with certain employees of Plasma Laser Technologies Ltd. (PLT) and the Share Purchase Agreement signed by the Company for acquisition of control over PLT, PLT has committed to grant these employees shares under an Employee Stock Option Plan ('ESOP' Plan). Post issue of these shares, the percentage holding of the Company in PLT would reduce to 60%. However, such ESOP plan is pending approval of tax authorities in Israel and has, accordingly, not been given any effect in these consolidated financial statements.

Note 2 - Share Capital

Particulars	(Rupees in lacs)
	As at 31st March, 2013
Authorised :	
3,00,00,000 Equity Shares of Rs.10/- each	3,000.00
Issued, Subscribed and fully Paid Up:	
1,35,98,467 Equity Shares of Rs.10/- each, fully paid-up	1,359.85
Total	1,359.85

Note 2a - Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a par (face) value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.



Note 2b - Shares held by Holding Company

Particulars	As at 31st March, 2013 No. of shares
Equity Shares	
J.B.Advani & Co. Private Limited	68,00,531

Note 2c - Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31st March, 2013	
	No. of shares held	% of holding
Equity Shares		
J.B.Advani & Co. Private Limited	68,00,531	50.01
Reliance Capital Trustee Co. Limited	6,85,770	5.04
Total	74,86,301	55.05

Note 3 - Reserves and Surplus

(Rupees in lacs)

Particulars	As at 31st March, 2013	
General Reserve		
Balance at the beginning of the year	12,990.00	
Add:		
Transfer from Profit and Loss Account	190.80	
Balance at the end of the year		13,180.80
Capital Redemption Reserve Account		
Balance at the end of the year		222.98
Share Premium Account		-
Currency Translation Reserve		
Opening Balance	-	
Add : During the year	(14.21)	
Balance at the end of the year		(14.21)
Surplus as per Profit and Loss Account		
Balance at the beginning of the year	2,936.49	
Add : Net Profit for the year	1,688.00	
Less : Transfer to Reserves	(190.80)	
Less : Proposed Dividend	(815.91)	
Less : Tax on proposed Dividend @	(138.66)	
Balance at the end of the year		3,479.12
Total		16,868.69

@ Dividend proposed to be distributed to equity shareholders is Rs.6/- per equity share.



Note 4 - Long-Term Borrowings

(Rupees in lacs)

Particulars	As at 31st March, 2013
Secured :	
Other	494.25
Unsecured :	
Loan from Banks	107.19
Maturities of finance lease obligations	140.36
Total	741.80

In Subsidiaries	Terms of repayment
Secured	
Other Loan - The vendor has an option to convert the loan into share capital during the pendency of the loan agreement.	Principal amount is due in December, 2016 Interest amount is due in December, 2017
Unsecured	
Loan from Banks	36 monthly installments starting from May, 2013 and last installment due in April, 2016

Note 5 - Deferred Tax Liabilities (Net)

(Rupees in lacs)

Particulars	As at 31st March, 2013
Deferred Tax Liability on account of :	
Depreciation	59.42
Capital Expenditure for Scientific Research	68.36
	<u>127.78</u>
Deferred Tax Assets on account of :	
Employee Benefits	78.72
VRS Payments	0.37
Provision for Doubtful Debts	5.09
	<u>84.18</u>
Net Deferred Tax Liability	43.60

Note 6 - Long Term Provisions

(Rupees in lacs)

Particulars	As at 31st March, 2013
Liability for employee rights upon retirement (Net)	59.55
Total	59.55



Note 7 - Short Term Borrowings

(Rupees in lacs)

Particulars	As at 31st March, 2013
Secured :	
Working Capital Loans from Banks (Refer Note below)	-
Unsecured :	
Working Capital Loans from Banks	0.89
Total	0.89

- (i) Working Capital facilities from Banks are secured by hypothecation of stocks and other tangible movable assets of the Company, both present & future and book debts in favour of Bank of Baroda and HDFC Bank Limited. The said facilities are also secured by way of pari-passu charge on the entire plant and machinery and other moveable fixed assets of the Company and on the land & building at the Company's Silvassa Unit.
- (ii) Guarantees given by banks to third parties amounting to Rs.804.61 lacs; (Previous year Rs. 848.05 lacs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 8 - Trade Payables

(Rupees in lacs)

Particulars	As at 31st March, 2013
Trade Payables	3,512.74
Total	3,512.74

Note 9 - Other Current Liabilities

(Rupees in lacs)

Particulars	As at 31st March, 2013
Current maturities of finance lease obligations	30.00
Current maturities of Long Term Loans	197.25
Other current liabilities	1,397.93
Unclaimed Dividend	133.35
Advance against Sales and Services	375.78
Deposits from distributors	110.06
Total	2,244.37



Note 10 - Short-Term Provisions

(Rupees in lacs)

Particulars

	As at 31st March, 2013
Provision for Excise Duty on Finished Goods Stock	358.03
Provision for Employee Benefits	411.94
Provision for Warranties	37.00
Provision for Proposed Dividend	815.91
Provision for Tax on Proposed Dividend	138.66
Provision for Wealth Tax	3.92
Total	1,765.46

Note 11 - Fixed Assets

(Rupees in lacs)

(A) Assets	GROSS BLOCK (AT COST / BOOK VALUE)						DEPRECIATION						NET BLOCK	
	As at 01.04.2012	Acqui- sitions	Additions/ Adjustments	Traslation/ Adjustments	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012	For the Year	Accumulated Depreciation on acquisitions	Tranlation Adjustments	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	
Tangible Assets														
Land - Freehold	206.11	-	-	-	-	206.11	-	-	-	-	-	-	206.11	
Land - Leasehold (a)	48.77	-	-	-	0.65 (c)	48.12	-	-	-	-	-	-	48.12	
Buildings	5,308.22	26.54	705.35	0.40	(0.96)	6,041.47	2,290.06	302.54	8.21	0.14	(5.11)	2,606.06	3,435.41	
Ownership Premises (b)	322.80	-	-	-	-	322.80	163.64	7.96	-	-	-	171.60	151.20	
Plant and Machinery	11,375.37	91.06	525.68	1.39	137.53	11,855.97	8,297.11	688.42	82.25	1.27	120.04	8,949.01	2,906.96	
Electrical Installations	790.04	-	118.98	-	(2.65)	911.67	371.23	66.50	-	-	(2.26)	439.99	471.68	
Furniture and Fixtures	665.21	29.03	117.04	0.47	23.44	788.31	495.00	38.91	19.80	0.31	17.43	536.59	251.72	
Office Equipments	111.31	-	87.70	-	9.73	189.28	88.55	14.54	-	-	8.53	94.56	94.72	
Vehicles	482.29	3.23	41.66	0.07	85.26	441.99	299.44	54.24	2.35	0.03	72.12	283.94	158.05	
Temporary Shed	3.02	-	-	-	-	3.02	3.02	-	-	-	-	3.02	-	
Leased Assets - Vehicles	147.18	-	64.66	-	-	211.84	19.50	23.53	-	-	-	43.03	168.81	
Research and Development Assets :														
Land Freehold	33.61	-	-	-	-	33.61	-	-	-	-	-	-	33.61	
Buildings	92.34	-	-	-	1.85	90.49	91.83	-	-	-	5.87	85.96	4.53	
Furniture & Fixture	0.37	-	-	-	0.37	-	0.07	-	-	-	-	0.07	-	
Plant and Machinery	928.09	-	11.45	-	7.87	931.67	716.99	30.57	-	-	11.07	736.49	195.18	
Air Conditioners	2.23	-	-	-	-	2.23	0.60	0.23	-	-	-	0.83	1.40	
Sub-Total	20,516.96	149.86	1,672.52	2.33	263.09	22,078.58	12,837.04	1,227.44	112.61	1.75	227.76	13,951.08	8,127.50	
Intangible Assets														
Computer Software	276.00	-	7.16	-	-	283.16	255.11	9.62	-	-	-	264.73	18.43	
Sub-Total	276.00	-	7.16	-	-	283.16	255.11	9.62	0.00	0.00	0.00	264.73	18.43	
TOTAL	20,792.96	149.86	1,679.68	2.33	263.09	22,361.74	13,092.15	1,237.06	112.61	1.75	227.76	14,215.81	8,145.93	
(B) Capital Work-in-Progress													45.40	
													8,191.33	
													GRAND TOTAL	

- (a) Leasehold Land includes Land Rs.39.32 lacs (Net of amortisation Rs.38.84 lacs) acquired by the Company on a co-ownership / lease basis for which conveyance deed is yet to be executed.
- (b) Includes :
- (i) Rs.0.01 lac being the aggregate value of Shares in Co-operative Housing Societies.
 - (ii) Rs.4.17 lacs for Tenements in an Association of Apartment Owners.
- (c) Represents amount written off on account of amortisation of leasehold land Rs.0.65 lac; (Previous year Rs. 0.65 lac)
- (d) Net book value of assets, includes net book value of assets at the Company's Ahmednagar division aggregating Rs. 62.41 lacs, which have been retired from active use. As per the estimates made by the management, the net realisable value of such fixed assets would atleast be equal to the carrying value of the fixed assets. Hence, in the opinion of the management, no expected loss needs to be recognised.

(Rs. in lacs)

Particulars	2012-13
Depreciation for the year	1,237.06
Add: Amortisation	0.65
Depreciation and amortization	1,237.71



Note 12 - Non-Current Investments (At Cost) (Unquoted)

(Rupees in lacs)

Particulars	As at 31st March, 2013
Non-Trade Long-Term Investments	
i) 6 Years National Savings Certificates	0.03
ii) RECL Bonds (Non-Convertible Redeemable Taxable Bonds) Series-VIII	50.00
iii) Tax Free Secured Redeemable Non-Convertible Bonds	183.71
Total	233.74

**Note 13 - Long-Term Loans and Advances
(Unsecured, considered good)**

(Rupees in lacs)

Particulars	As at 31st March, 2013
Sundry Deposits	138.18
Loans to Employees	8.85
Capital Advances	56.20
Others	0.49
Total	203.72

Note 14 - Other Non-Current Assets

(Rupees in lacs)

Particulars	As at 31st March, 2013
Fixed Deposits for bank guarantees	56.70
Other Non-Current Assets	1.31
VAT and Sales tax recoveries	791.70
Deposits with Banks with maturity of more than twelve months	5.00
Total	854.71

Note 15 - Current Investments (Unquoted)

Current Investments (At lower of Cost or Fair Value):-

(Rupees in lacs)

Particulars	As at 31st March, 2013
Non-Trade Short-term Investments	
In Mutual Funds	2,478.56
Total	2,478.56



Note 16 - Inventories

Particulars	(Rupees in lacs)
	As at 31st March, 2013
1) Stores, Spares, Parts, etc.	292.17
2) Raw Materials and Components and Packing Material (includes in-transit Rs.20.61 lacs)	1,549.06
3) Work-in-Progress	672.26
4) Finished Goods (includes in-transit Rs.8.08 lacs)	1,870.07
5) Stock-in-trade	81.82
Total	4,465.38

Note 17 - Trade Receivables

Particulars	(Rupees in lacs)
	As at 31st March, 2013
Outstanding for more than six months from the date they are due for payment *	
Unsecured, considered good	551.59
Outstanding for less than six months from the date they are due for payment	
Unsecured, considered good	6,713.77
Unsecured, considered doubtful	17.18
Less : Provision for doubtful debts	(17.18)
Total	7,265.36

* Includes an amount of Rs.176.49 lacs on account of retention money of Project Engineering Business

Note 18 - Cash and Bank Balances

Particulars	(Rupees in lacs)
	As at 31st March, 2013
Cash and Cash Equivalents:	
i) Cash on hand	15.14
ii) Balances with Banks in Current Accounts	321.04
	<u>336.18</u>
Other Bank Balances:	
i) Earmarked Balances with Banks (Dividend accounts)	133.20
ii) Deposits with Banks with maturity of more than three months and less than twelve months	4.78
	<u>137.98</u>
Total	474.16



Note 19 - Short-Term Loans and Advances
(Unsecured, considered good)

(Rupees in lacs)

Particulars	As at 31st March, 2013
Loans and Advances: to Employees	25.14
Loans and Advance to Related Parties	5.92
Balances with Central Excise, Customs and Port Trust	7.29
Sundry Deposits	5.33
Advance to suppliers	221.72
Export Incentive Receivable	130.12
Advance payment of Income Tax (Net of provisions)	71.51
Others	136.47
Total	603.50

Note 20 - Other Current Assets

(Rupees in lacs)

Particulars	As at 31st March, 2013
VAT and Sales Tax Receivables	338.52
Others	130.66
Total	469.18

Note 21 - Revenue from Operations

(Rupees in lacs)

Particulars	Year ended 31st March, 2013
Sale of Products	
i) Manufactured Products	39,892.37
ii) Traded Goods	273.18
iii) Sale of Services	20.32
iv) Other Operating Revenue	93.43
Total	40,279.30

During the year there are no revenues to be recognised under the percentage of completion method



Note 22 - Other Income

Particulars	(Rupees in lacs) Year ended 31st March, 2013
Interest received on Govt Securities	18.76
Interest received from Banks and Others	8.73
Surplus on sale of current investments	133.53
Refund of Sales tax on Assessment	2.88
Income from Mutual Funds	20.64
Rent and Compensation	24.65
Royalty received	5.14
Exchange difference gain (net)	109.33
Other Non-Operating Income	56.78
Total	380.44

Note 23 - Cost of Materials Consumed

Particulars	(Rupees in lacs) Year ended 31st March, 2013
Opening Stock	2,157.93
Add: On acquisition of a Subsidiary	72.29
Add: Purchases during the year	22,630.82
Less: Closing Stock	(1,528.45)
Total	23,332.59

Note 24 - Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-trade

Particulars	(Rupees in lacs) Year ended 31st March, 2013
Opening Stock :	
Finished Goods	1,976.64
Stock-in-trade	97.50
Work-in-Progress	719.17
Total	2,793.31
Add: On acquisition of a Subsidiary	
Finished Goods	52.06
Work-in-Progress	2.79
Total	54.85
Closing Stock :	
Finished Goods	1,861.99
Stock-in-trade	81.82
Work-in-Progress	672.26
Total	2,616.07
Variation in Excise Duty on opening and closing stock of finished goods (net)	15.19
Total	247.28



Note 25 - Employee Benefit Expense

(Rupees in lacs)

Particulars	Year ended 31st March, 2013
Salaries and incentives	3,106.61
Contribution to Provident and other funds	227.93
Staff Welfare expenses	413.21
Total	3,747.75

Note 26 - Finance Costs

(Rupees in lacs)

Particulars	Year ended 31st March, 2013
Interest Expense	45.97
Other borrowing costs	52.30
Total	98.27

Note 27 - Other Expenses

(Rupees in lacs)

Particulars	Year ended 31st March, 2013
Manufacturing expenses and other expenses - Refer Note 27A	2,361.41
Electricity and Power expenses	26.66
Rent	106.28
Freight	294.66
Legal and Professional fees	127.67
Insurance - Other than factory	23.73
Repairs and Maintenance - others	150.93
Travelling, conveyance and vehicle expenses	911.41
Directors Sitting Fees	5.54
Telephone, Postage & Telegram	205.75
Rates and Taxes - Office	66.52
Advertisement and Sales Promotion expenses	138.80
Commission paid	30.77
Bad Debts Written off	11.65
Provision for Doubtful Debts	15.00
Loss on sale of Fixed Assets (net)	2.83
Assets written off / discarded	5.30
Printing and stationery	59.17
Miscellaneous Expenses	1,035.50
Total	5,579.58



Note 27A - Manufacturing and Other Expenses

Particulars	(Rupees in lacs)
	Year ended 31st March, 2013
Consumption of Stores and spares	717.24
Power and Fuel	906.43
Repairs to Machinery	118.92
Repairs to Building	8.70
Other Manufacturing expenses	610.12
Total	2,361.41

Note 28 - Computation of Profit for Earnings per Share

Particulars	Year ended 31st March, 2013
Profit for the year after tax (Rs. in lacs)	1,688.00
Weighted average number of shares outstanding	1,35,98,467
Basic and Diluted Earnings per share	12.41

(Rs.)

Note 29 - Contingent Liabilities not provided for Particulars

Particulars	(Rupees in lacs)
	As at 31st March, 2013
a) Disputed Sales Tax as the matters are in appeal (advance paid Rs.9.21 lacs; Previous year Rs.9.21 lacs)	67.52
b) Disputed Excise duties as the matters are in appeal (advance paid Rs.2.04 lacs; Previous year Rs.3.15 lacs)	114.65
c) On account of bills discounted by the Company	129.81
d) Bonds / Undertakings given by the Company under Concessional duty / exemption scheme / Waiver of penalty to Customs Authorities	109.99
e) Other matters	82.85

Note 30 - Commitments

a) On Capital Account – Capital Contracts not provided for (Net of advances)	422.19
b) Others - Subsidiary	
i. Obligations to pay royalties on future sales against research grant received. (Maximum amount payable)	1,324.31
ii. Compensation to Distributor	Amount
	Unascertainable

Note 31 - In the opinion of the Management, no item of current assets, including inventories has a value on realisation in the ordinary course of business, which is less than the amount at which it is stated in the Balance Sheet.



NOTE 32 - Segment Information

A. Business Segment

(Rupees in lacs)

Particulars	Consumables	Equipment & Project Engineering	Total
External Revenue	28,214.91	8,280.16	36,495.07
Inter Segment Revenue	-	-	-
Total Revenue	28,214.91	8,280.16	36,495.07
Segment Result before Interest and tax	3,116.14	587.66	3,703.80
(Less) :			
Unallocable expenses (Net of unallocable income)	-	-	(1,160.79)
Interest and Finance charges (net)	-	-	(98.27)
In respect of earlier years (net)	-	-	(0.18)
Provision for taxes (Net of Deferred Tax)	-	-	(756.56)
Net Profit / (Loss)	3,116.14	570.95	1,688.00
Segment Assets	13,988.79	7,869.71	21,858.50
Unallocated Assets	-	-	4,738.45
Total Assets	-	-	26,596.95
Segment Liabilities	3,252.16	2,760.18	6,012.34
Unallocated Liabilities	-	-	2,356.06
Total Liabilities	-	-	8,368.40
Capital Expenditure			
Segment Capital Expenditure	427.00	1,586.60	2,013.60
Unallocated Capital Expenditure	-	-	870.71
Total Capital Expenditure (Tangible & Intangible Assets)	-	-	2,884.31
Depreciation and Amortisation			
Segment Depreciation and Amortisation	836.56	283.18	1,119.74
Unallocated Depreciation and Amortisation	-	-	117.97
Total Depreciation and Amortisation	-	-	1,237.71
Significant Non-Cash Expenditure			
Segment Significant Non-Cash Expenditure	5.30	-	5.30
Unallocated Significant Non-Cash Expenditure	-	-	-
Total Significant Non-Cash Expenditure	-	-	5.30



B. Geographical Segment

(Rupees in lacs)

Particulars	India	Outside India	Total
Segment Revenue	31,765.89	4,729.18	36,495.07
Carrying Amount of Segment Assets	19,044.83	2,813.67	21,858.50
Additions to Fixed Assets (Tangible & Intangible Assets)	631.85	1,381.75	2,013.60

C. Other Disclosures

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS – 17) taking into account the organisation structure as well as differential risks and returns of these segments.
2. The Company has disclosed Business Segment as the primary segment.
3. Types of Products and Services in each Business Segment:

Business Segment	Types of Products and Services
a) Consumables	- Electrodes, Wires, Agency items related to consumables.
b) Equipment & Project Engineering	- Equipment, Spares, Cutting Products and Agency Items related to Equipment and Cutting Products & Design, Engineering, Procurement and Commissioning of Flares, Incinerators, Furnaces, etc.

4. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Note 33 - Related Parties Disclosure

A. Relationships:

Relationship	Name of the Person / Company
a) Holding Company	J. B. Advani & Co. Pvt. Ltd.
b) Investor having significant influence and its associates	Ador Powertron Limited Ador Fontech Limited Ador Multiproducts Limited
c) Other related parties where significant influence exists	Cryolor Asia Pacific Pvt. Ltd.
d) Key Management Personnel	Ms. A. B. Advani Mr. Raman Kumar Mr. S.M.Bhat
e) Relatives of Key Management Personnel where transactions have taken place	No transactions have taken place during the year.

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.



B. Transactions:

(Rupees in lacs)

Particulars	Holding Company	Investors having significant influence and its Associates	Other related parties where significant influence exists	Key Management Personnel
Sales and Services :				
Goods, Materials and Services {Ador Multiproducts Ltd. Rs.473.96 lacs, Ador Fontech Ltd. Rs.380.33 lacs}	34.71	874.27	8.09	-
Income :				
Rent {Ador Fontech Ltd. Rs.3.84 lacs, Ador Powertron Ltd. Rs.2.80 lacs}	-	6.64	-	-
Royalty {Ador Fontech Ltd Rs.2.93 lacs, Ador Powertron Ltd. Rs.1.75 lacs}	-	4.91	-	-
Other Receipts :				
Recovery of Expenses	17.02	15.76	-	-
Purchases :				
Goods and Agency Items {Ador Fontech Ltd. Rs. 1.16 lacs, Ador Powertron Ltd. Rs.2.92 lacs}	1,013.99	4.60	-	-
Fixed Assets {Ador Powertron Ltd. Rs.64.55 lacs}	-	72.60	-	-
Expenses :				
Remuneration	-	-	-	255.97
Reimbursement of Expenses	28.58	19.38	-	-
Outstanding :				
Receivables {Ador Fontech Ltd. Rs.42.00 lacs, Ador Multiproducts Ltd. Rs.7.38 lacs}	13.03	62.86	8.06	-
Payables {Ador Powertron Ltd. Rs.1.23 lacs}	197.49	1.49	-	-



Note 34 - Employee Benefits

- a) An amount of Rs.118.23 Lacs towards Defined Contribution Plans is recognised as expense in the Profit and Loss Account.
- b) The following table sets out the status of the gratuity plan as required under Accounting Standard - 15 and the reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation:

(Rupees in lacs)

Particulars	2012-13
<u>Change in present value of obligation</u>	
Obligation at beginning of the year	328.49
Current Service Cost	30.04
Interest Cost	29.32
Actuarial (gain) / loss	8.00
Benefits paid	(93.31)
Obligation at the end of the year	302.54
<u>Change in Plan assets</u>	
Fair value of Plan assets at beginning of the year	281.52
Expected return on Plan Assets	22.62
Actuarial gain / (loss)	(22.78)
Contributions	46.97
Benefits paid	(93.31)
Fair value of Plan Assets at end of the year	235.02
<u>Reconciliation of present value of the obligation and the fair value of Plan Assets and amount recognized in the balance sheet:</u>	
Present value of the Defined Benefit Obligation at the end of the year	302.54
Fair value of Plan Assets at the end of the year	(235.02)
Net liability / (Asset) recognized in the Balance Sheet	67.52
<u>Gratuity cost recognized for the year:</u>	
Current Service cost	30.04
Interest cost	29.32
Expected return on Plan Assets	(22.62)
Actuarial (gain) / loss	30.78
Net gratuity cost	67.52
<u>Break-up of Plan Assets at the end of the year</u>	
Insurer Managed Funds	100%
Assumptions:	
Interest rate	7.85%
Estimated rate of return on Plan Assets	7.50%
Rate of growth in salary levels*	8.00%

* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



c) Provident Fund Liability

In case of certain employees, the Provident Fund contribution is made to a trust administered by the Company.

In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below.

The following table gives the reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation:

(Rupees in lacs)

Particulars	2012-13
<u>Change in Defined Benefit Obligation</u>	
Opening Defined Benefit Obligation	842.18
Current Service Cost	46.25
Interest Cost	67.96
Actuarial (gain) / loss	93.59
Employees contribution	79.60
Liabilities assumed on Acquisition / (settled on Divestiture)	51.31
Benefits paid	(205.57)
Closing Defined Benefit Obligation	975.32
<u>Change in Fair Value of Assets</u>	
Opening Fair value of Plan Assets	821.10
Expected return on Plan Assets	59.53
Actuarial gain / (loss)	90.34
Employer contributions during the period	46.25
Employee contributions during the period	79.60
Assets acquired on Acquisition / (distributed on Divestiture)	51.31
Benefits paid	(205.57)
Closing Fair value of Plan Assets	942.56
<u>Break-up of Plan Assets at the end of the year</u>	
Government of India Securities	25%
Corporate Bonds	33%
Special Deposit Schemes	30%
Equity shares of Listed companies	10%
Others	2%
Assumptions:	
Discount rate	7.85%
Expected rate of return on assets	7.53%
Discount rate for the remaining term to maturity of the investment	7.94%
Average historic yield on the investment	7.62%
Guaranteed rate of return	8.50%



Note 35 - Lease Rental Obligation (Operating Lease)

(Rupees in lacs)

Particulars	As at 31st March, 2013
Amount due within one year	41.65
Amount due from one year to five years	41.51
Amount due from five years and above	106.64

Note 36 - Lease Obligation (Finance Lease)

Net carrying amount of carrying assets as at Balance Sheet date – Rs.168.81 lacs.

The minimum future lease rentals and present value of minimum lease rentals payable are as follows:

(Rupees in lacs)

Particulars	As at 31st March, 2013
Minimum lease rentals payable as on Balance Sheet date	182.85
Present value of Minimum lease rentals payable	162.53

(Rupees in lacs)

Particulars	Minimum Lease Payment	Present Value of Minimum Lease Payments
	As at 31st March, 2013	
Amount due within one year	72.81	64.72
Amount due from one year to five years	110.04	97.81
Amount due from five years and above	-	-
TOTA L	182.85	162.53

Note 37 - Significant accounting policies and practices adopted by the Company are as disclosed in the Statement annexed to these Financial Statements as Annexure I.

Note 38 - The details of subsidiaries in terms of General circular no. 2/2011 dated 08th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, are disclosed in Annexure II to these financial statements.

As per our attached report of even date

On behalf of the Board of Directors

For **DALAL & SHAH**
 Firm Registration No: 102021W
Chartered Accountants

A.B.Advani
Executive Chairman

S.Venkatesh
Partner
 Membership No.: 037942

V.M.Bhide
**Head-Corporate Administration
 & Company Secretary**

Joseph Mani
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 15th May, 2013

Mumbai, 15th May, 2013



ANNEXURE - I ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013.

Statement of Significant Accounting Policies and Practices :-

I. Basis of preparation of Financial Statements :-

- (i) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March. Certain foreign subsidiaries follow January to December as their financial year. In the case of these foreign subsidiaries the Company has redrawn their financial statements for the period ended 31st March.
- (ii) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the Parent Company and Indian Subsidiary have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and those of the foreign subsidiaries have been prepared in accordance with the local laws and the applicable Accounting Standards/generally accepted accounting principles. However, the differences in accounting policies of those subsidiaries with the Indian GAAP do not have material impact on these consolidated financial statements.
- (iii) All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current-non current classification of assets and liabilities.

II. Principles of Consolidation :-

- (i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.
- (ii) The excess of the cost to the Parent Company of its investments in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as goodwill and assessed for impairment at each reporting date. Fluctuation to goodwill in respect of foreign subsidiary arising subsequent to acquisition, on translation at the year end rate, is included in the currency fluctuation reserve.
- (iii) The financial statements have been prepared under the historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

III. Use of Estimates :-

The preparation of financial statements, in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known

IV. Recognition of Income and Expenditure :-

1. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods by the Company.
2. Benefit on account of entitlement to import duty - free materials under Duty Entitlement Passbook Scheme is accounted in the year of export as Export Incentives.
3. Other Revenue / Income and Cost / Expenditure are generally accounted on accrual, as they are earned or incurred.

V. Fixed Assets :-

1. Fixed Assets are accounted by the Company on the basis of historical costs. Gains or Losses arising on disposal are recognised in the statement of Profit and Loss Account of the relevant financial year.
2. Method of Depreciation / Amortisation :
 - (a) By Indian Companies - on WDV method and at rates under the Companies Act, 1956 except depreciation on assets acquired under finance lease is spread over the lease period or useful life whichever is shorter.
 - (b) By foreign subsidiaries - on methods and at rates permissible under applicable local laws or at such rates so as to depreciate the assets over their useful life.



(c) Cost of leasehold land is amortised over the period of lease.

VI. Investments :-

Long Term Investments are stated at 'Cost'. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments. Current Investments are stated at lower of cost and fair value.

VII. Valuation of Inventories :-

Inventories of Raw Materials and Components, Work in progress, Finished Goods, Goods for Trade, Stores, Spares and Packing Materials are stated 'at cost or net realisable value, whichever is lower'. Goods in Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

Cost formula used is 'Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

VIII. Foreign Currency transactions by Indian Companies :-

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place;

Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;

In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contracts is recognised during the year.

Accounting of foreign branches / integral operations:-

- a. Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet.
- b. Fixed assets and depreciation thereon, are converted at the exchange rates prevailing on the date of acquisition of the respective asset.
- c. Revenue items, excluding depreciation, are converted at the monthly exchange rates prevailing on the date of the transaction.

IX. Foreign Currency Translations :-

For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiaries are translated at the following rates of exchange:

- (a) Average rates for the incomes and expenditure.
- (b) The year-end rates for the assets and liabilities.

X. Research and Development :-

1. Revenue expenditure on Research and Development (including overheads) are charged out as expense through the natural heads of account in the year in which they are incurred.
2. Expenditure of a capital nature on Research and Development is debited to Fixed Assets and depreciation is provided on such assets, as are depreciable.

XI. Retirement and Other Employee Related Benefits :-

- a. **Short term employee benefits** - All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service
- b. **Post Employment / Retirement Benefits** - Defined Contribution Plans such as Government Pension Fund etc., are charged to the Profit and Loss Account as incurred.
- c. **Defined Benefit Obligation Plans** - The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method, carried out (approximately) at the close of the year. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. In respect of certain employees, the monthly contribution for provident fund is made to a Trust



administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

The present value of obligation under Interest Rate Guarantee on Exempt Provident Funds, is determined based on an actuarial valuation, using the Projected Accrued Benefit Method, carried out at the close of the year.

- d. **Other Long Term Employee Benefits** are recognised in the same manner as Defined Benefit Plans.
- e. **Termination Benefits** are charged to the Profit and Loss Account in the year in which they are incurred.

XII. Assets taken on Lease :-

For assets taken under operating lease, lease rentals payable are charged to the Profit and Loss Account. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as Finance Leases. Such assets are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Each lease rental paid is allocated between the liability of the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

XIII. Taxation :-

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

XIV. Impairment of Assets :-

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Impairment losses recognised in prior accounting periods are reversed if there has been any change in the estimate of the recoverable amount.

XV. Borrowing Costs :-

Interests and other borrowing costs attributable to qualifying assets are capitalised. Other interests and borrowing costs are charged to revenue.

XVI. Provisions, Contingent Liabilities and Contingent Assets :-

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

XVII. Provision for Warranty :-

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Company. It is expected that this expenditure will be incurred over the contractual warranty period.

XVIII. Revenue from contracts :-

Revenue from fixed price contracts is recognized using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

XIX. Government Grants :-

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.



Annexure II - Information on Subsidiary Companies

(As directed by the Central Government Circular under Section 212(8) of the Companies Act, 1956)

Table - A

(Rupees in lacs)

Sr. No.	Particulars	Indian Subsidiary	Foreign Subsidiaries		
		Ador Welding Academy Pvt. Ltd.	Plasma Laser Technologies Ltd.	Plasma Laser Technologies, NA, Inc.	Aluminium Hybrid Systems Ltd.
1.	Capital	10.00	50.47	0.60	-
2.	Reserves	(23.00)	(1,065.90)	(598.45)	(56.27)
3.	Total Assets	37.73	365.62	11.46	18.46
4.	Total Liabilities	50.73	1,380.46	609.32	74.73
5.	Investments	-	-	-	-
6.	Turnover & Other Income	31.05	345.89	36.94	-
7.	Profit / (Loss) before taxation	(33.17)	87.32	(15.96)	(3.25)
8.	Provision for Tax	(10.17)	-	-	-
9.	Profit / (Loss) after taxation	(23.00)	87.32	(15.96)	(3.25)
10.	Proposed Dividend	-	-	-	-

Statement pursuant to Section 212 of the Companies Act, 1956

Table - B

Particulars	Indian Subsidiary	Foreign Subsidiaries		
	Ador Welding Academy Pvt. Ltd.	Plasma Laser Technologies Ltd.	Plasma Laser Technologies, NA, Inc.	Aluminium Hybrid Systems Ltd.
Holding Company's interest as at March 31, 2013	100%	77%	100%	94.73%
Shares held by the Holding Company in the subsidiary	1,00,000	261,105	60,000	950
Net aggregate profits / (losses) of the subsidiary for the current period so far as it concerns the members of the Holding Company.	(33.17)	67.24	(15.96)	(3.25)
a) Dealt with or provided for in the accounts of the Holding Company	33.17	67.24	(15.96)	(3.25)
b) Not dealt with or provided for in the accounts of the Holding Company	-	-	-	-

Note :

In respect of foreign subsidiaries :

Table A

- a) Item Nos. 1 to 5 are translated at exchange rate as on 31st March, 2013, 1 New Israeli Shekel = Rs.14.89
- b) Item Nos. 6 to 10 are translated at average exchange rate, 1 New Israeli Shekel = Rs.14.78

Table B

Net aggregate profit or loss of foreign subsidiaries are translated at average exchange rate, 1 New Israeli Shekel = Rs.14.78

OUR MARKET REACH

DOMESTIC SALES OFFICES

Ahmedabad

804-805, Sakar IV, Opp.Town Hall,
Near Ellis Bridge, Ashram Road,
Ahmedabad - 380006
Gujarat, INDIA.
Tel.: (079) 2657 9928, 6661 2788
Fax: (079) 6661 2788

Bengaluru

N-406/407, 4th Floor,
Manipal Centre, North Block,
Rear Wing, Dickenson Road,
Bengaluru - 560042
Karnataka, INDIA.
Tel.: (080) 2558 5125
Fax: (080) 2532 1477

Bhubaneshwar

M-15, Samanta Vihar,
Chandrasekharpur,
Bhubaneshwar - 751017
Odisha, INDIA.

Chennai

Flat No. 6, IIInd Floor, Fagun Chambers,
26 Ethiraj Salai, Egmore,
Chennai - 600008
Tamil Nadu, INDIA.
Tel.: (044) 2827 0105

Coimbatore

"Ramakrishna Bagh", 1289,
Trichy Road, Coimbatore - 641018
Tamil Nadu, INDIA.
Tel.: (0422) 4393 013
Fax: (0422) 2303 869

Delhi

Unit No. - 109, 1st Floor,
"Salcon Aurum"
Jasola District Centre,
Plot No. 4,
New Delhi - 110044.

Hyderabad

9-1-93/1, Lane Adjacent to
Sangeet Cinema,
Sarojini Devi Road,
Secunderabad - 500003
Andhra Pradesh, INDIA.
Tel.: (040) 2771 2090, 6649 2090
Fax: (040) 2771 5570

Indore

402, Apollo Trade Centre,
Ambedkar Square, Geeta Bhavan
-Chouraha,
A. B. Road, Indore - 452001
Madhya Pradesh, INDIA.
Tel.: (0731) 2494 220, 4066 840
Fax: (0731) 4066 840

Jaipur

309, Aishwarya Tower,
Near Hotel Hawa Mahal,
Ajmer Road, Jaipur - 302001
Rajasthan, INDIA.
Tel.: (0141) 2220 833
Fax: (0141) 2220 834

Jamshedpur

R. No.203, 2nd Floor Shreeji Arcade,
76/B, Pennar Road, Sakchi,
Jamshedpur - 831009.
Jharkhand, INDIA.
Tel.: (0657) 2427 851
Fax: (0657) 2223 104

Kolkata

P-6, C.I.T. Road, Scheme - 55,
Moulali, Kolkata- 700014
West Bengal, INDIA.
Tel.: (033) 4008 4862 / 63
Fax: (033) 4008 4864

Mumbai

Ador House
6, K Dubash Marg,
Fort, Mumbai - 400001-16
Maharashtra, INDIA.
Tel. : (022) 2284 2525, (3Lines)
Fax: (022) 2287 3083

Pune

P. B.No.2,
Akurdi Village, Chinchwad,
Pune - 411 019
Maharashtra, INDIA.
Tel.: (020) 4070 6000
Fax: (020) 4070 6001

Raipur

Bilaspur Road, Industrial Area,
Birgaon - Raipur (C.G.) 493 221
Chhattisgarh, INDIA.
Tel.: (0771) 2562 290 / 4041 317
Fax: (0771) 4041 318

OVERSEAS OFFICE

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WELDERS TO THE NATION SINCE 1951
ADOR WELDING LIMITED

(Formerly Known as Advani-Oerlikon Ltd.)

www.adorwelding.com



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ADOR WELDING ACADEMY

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SIGNIFICANT ACHIEVEMENTS

Ador Welding Academy Pvt. Ltd. (AWAPL) was incorporated on 24th July 2012.

The Year saw a continued thrust on Capability Building. The focus on Content Development activity to develop new Modules as per Market needs enabled to increase the number of Courses from six to twenty three. Employability related topics / lessons, as recommended by NSDC, have been developed and made an integral part of the standard curriculum. The Academy partnered with some NSDC Licensees to set up their Welding Skill development Centres. AWAPL continued to be the preferred choice for Welders and Engineers Training. The Customer Base varied from Oil & Gas, Power, Shipping and Chemical Process Industry. Repeat orders were received from reputed Companies like Alfa Laval, Cargotec of Finland and Consulting Companies like Tata Consulting Engineers. Modules for Design Engineers are getting very good responses, as number of Multinationals are setting up their Design Offices in India.

AWAPL has also added to its Product Portfolio - Project Sales - by taking up Turnkey jobs of establishing Training Centers, including the supply of Welding Machines and Consumables, Integrated Work stations with Fume Extraction Systems, Course material and Training the Trainers. Two such projects were executed successfully. An MOU was signed with the SSGMCE (Shri Sant Gajanan Maharaj College of Engineering – Shegaon, Maharashtra) to jointly conduct a 4 months - Graduate Certification for Welding Production - an Industry oriented Course developed by AWAPL to enhance their employability and make them Industry ready. The first batch has started in March 2013 and will pass out in July 2013.

AWAPL - Pimpri Centre was selected by CII after a detailed assessment of its capabilities and Infrastructure to host the CII-World Skill Competition for Welder Skills to represent India in the 2013 World Skill Competition in Leipzig, Germany in July 2013. Further, among the shortlisted Welders, Mahindra Vehicles entrusted the task of Training of their two Welders to cover all Welding Processes. Special Module was developed. Both Welders trained by AWAPL have been selected to represent India.

OVERVIEW OF PLANS FOR FY 2013-14:

Continued thrust will be given to further develop the Industry partnership. Placement services for Welders, Supervisors and Engineers from the talent-pool of AWAPL pass outs, customized on-site programs to strengthen employability competency linkages, e-Learning and Web-based modules for cost-effective training delivery and Simulation-based training modules will be offered to industry.

The Research & Consultancy services vertical has been strengthened with a panel of experienced welding professionals and research scientists, graduate and post graduate engineers. Industry sponsored research programs in welding production will be taken up, in addition to quality and process development related consultancy services. A Technical library service has also been launched.

Facility expansion & up-gradation is being taken up at Pimpri, Pune to have a State of the Art facility. Centers at Raipur and Chennai are scheduled to be operational in the current year.

AWAPL advocacy initiatives to promote welding careers with youth will be further intensified to reach out across social sectors, geographies and technical institutes, through partnerships with NGOs, Ministries at the state and the centre and agencies involved with disseminating Technical education.



Memorandum of Understanding signed with SSGM College of Engineering, Shegaon for Graduate Certificate in Welding Production for final year BE students



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