

Ador Welding Limited

69th Annual General Meeting

July 27, 2022

Ninotchka Malkani Nagpal	<p>Okay, good morning everyone. I welcome everyone to the 69th Annual General Meeting of your company. The AGM is being held through the electronic mode or video conferencing and in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and Securities Exchange Board of India, SEBI.</p> <p>I'm going to now go ahead and just introduce all my colleagues. Some of them are here with me, and some of them have joined electronically online. So, sitting right next to me is Aditya – you have to say.</p>
Aditya Malkani	Aditya Malkani, sorry.
Ninotchka Malkani Nagpal	MD.
Aditya Malkani	Managing Director.
Ninotchka Malkani Nagpal	Okay. And we have Mr. Suryakant.
Suryakant Sethia	Suryakant Sethia, CFO. Also, member of the Risk Management Team.
Tanya Advani	Tanya Advani, Member of the Stakeholder Relationship Committee and Non-executive Director.
Vinayak Bhide	Vinayak Bhide. I'm the company secretary.
Deep Lalvani	Deep Lalvani, Non-executive Director as well as the Chairman of the CSR Accounting, Member of the Stakeholders Relationship Committee.
Ninotchka Malkani Nagpal	We also have Ravin Mirchandani. Ravin, can you introduce yourself please?
Ravin Mirchandani	Morning, my name is Ravin Mirchandani, I am a Non-executive Director of the company, joining from my offices in Pune.
Ninotchka Malkani Nagpal	Thanks. Mr. Digvijay Singh, if you could just introduce yourself please?
Digvijay Singh	Good afternoon, it's Digvijay Singh here joining from Singapore.
Ninotchka Malkani Nagpal	Thank you. Mr. Sapru?

Rakesh Sapru Hi, good afternoon. This is Rakesh Sapru, Independent Director of AWL.

Ninotchka Malkani Nagpal Thank you. Mr. Piyush Gupta?

Piyush This is Piyush joining from Gurgaon. I am Independent Director as well as the Member of the Audit Committee.

Ninotchka Malkani Nagpal Thanks Piyush. Mr. Gaurav Lalwani?

Gaurav Lalwani Hi good afternoon. I am Gaurav Lalwani calling from Singapore. I am the Independent Director of AWL as well as Chairman of the Stakeholders Relationship Committee.

Ninotchka Malkani Nagpal Thank you. Nita Mirchandani?

Nita Mirchandani Hi, I am Nita Mirchandani, I am Director of AWL, joining from Mumbai.

Ninotchka Malkani Nagpal Thank you. Mr. Navroze Marshall? Navroze, we can't hear you. Mr. Navroze Marshall is also here. For some reason we can't hear. Okay, in addition to all the Board and the key managerial personnel, we also have our Statutory Auditors, Mr. Vijay Jain and Ms. Vidya from [inaudible 4.11]. And we have Mr. NL Bhatia from NL Bhatia & Associates, our Secretary Auditor today.

So, the time is past 1100 AM so, I'm calling the meeting to order. The Company has received one Board resolution for corporate representation totally to 68,00,531 equity shares. I'm now going to ask Mr. Bhide to read out all the arrangement and instructions made for this AGM today.

Vinayak Bhide Hello, everyone. Good morning, again. Welcome to the 69th Annual General Meeting of Ador Welding Limited.

The Company has enabled the members to participate in the 69th AGM through video conferencing facility provided by NSDL. The proceedings of this Annual General Meeting are also being webcasted live for all the members as per details provided in the Notice for the AGM. The proceedings of this meeting are being recorded for compliance purposes.

The attendance of the members in the AGM through VC will be counted for the purpose of maintain the quorum under the section 103 of the Companies Act, 2013. Pursuant to the provisions of the act, the member entitled to attend & vote at the AGM is entitled to appoint a proxy to attend & vote on his or her behalf, and the proxy need not be a member of the Company.

Since this AGM is being held through VC, physical attendance of the members has been dispensed with. Accordingly, the facility for appointing proxy by the members' is not available for this AGM as well. Pursuant to Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rule, 2014 and Regulation 44 of the SEBI (Listing obligations and Disclosure

Requirement) Regulations, 2015, the members have been provided the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM, by the Company through NSDL.

We have initiated e-Voting during the period starting from last Sunday, 24th July 2022, at 09 A.M, IST till yesterday, Tuesday 26th of July 2022, till 05 P.M. IST. It concluded yesterday. However, the members who could not vote through remote e-voting and are present today may cast their votes now during the AGM and the e-voting will remain open for 15 minutes after the conclusion of the AGM. E-voting system will not allow any member to cast their vote if they have already voted by availing the facility of remote e-voting prior to the AGM. Members please note that, there will be that there will not be voting by show of hands since this is virtual AGM.

The Company has received request from shareholders to register them as speakers at this meeting. Accordingly, the Moderator will facilitate the Q&A session, once the Chairman opens the floor for the Members. All the statutory registers, as required to be kept at the AGM, including the Registers of Directors and KMPs (Key Managerial Personnel) and their shareholding, pursuant to Section 171 of the Companies Act, 2013, Register of Contracts & Arrangements in which Directors are interested, pursuant to section 189 of Companies Act, 2013 etc, are open for e-inspection by the members. Since proxy forms have been dispensed with in this meeting, Register of Proxies is not available for e-inspection. Members seeking to inspect these documents can send an email to investorservices@adorians.com, Company's email ID.

M/s. Himanshu Kapadia & Associates, practicing Company Secretaries, have been appointed as the scrutinizers to scrutinize the e-voting and remote e-voting process in a fair & transparent manner. The results of e-voting on the resolutions will be announced within two working days on the website of the company www.adorwelding.com, and the website of NSDL at e@nsdl.co.in as well as will be informed to the Stock Exchanges, i.e. BSE and NSE.

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

Ninotchka Malkani Nagpal

Thanks Mr. Bhide. Okay so, with your consent I propose that the notice for the 69th AGM which was sent to everyone through the electronic mode, whose e-mail addresses were registered with the company or depositories or RDA and made available on the company's website and on the websites of the stock exchanges, of BSE and NSE, be taken as read, please.

Also, as the statutory auditor's report for the financial year '21-'22 does not contain any qualification or any adverse remark, if I can take the audit report also as read. The secretarial audit report for the financial year '21-'22 also does not contain any qualification so, the same is also not required to be read.

So, with this, I'm just going to dive into just giving everyone an update about the company and the outlook for the current year.

So, good morning, everyone, and welcome to the 69th AGM of Ador Welding Limited. I hope everyone's keeping well and safe. I'm just going to start with giving you a quick review of the past financial year.

I am happy to inform you that in the last financial year of '21-'22, your company has posted its best numbers ever in its history. Despite all the ups and downs that we've experienced, we've been able to achieve the highest ever turnover and profits in the history of Ador which has basically been the result of the entire team's tireless efforts and perseverance. As the momentum still keeps building up, we are confident that your company will grow further by leaps and bounds and will go from strength to strength.

To give you a further insight, all the key financial indicators and ratios have improved significantly such as, profitability, cash flow, working capital, they've all improved significantly over the last year, which has enabled Ador Welding to become completely debt free as on 31st March 2022, which is quite a feat. I'm also pleased to inform you that the Board has recommended a dividend of INR12.50 per equity share of dividend, which is 125% dividend, which is the highest that we've ever given in the last 16 financial years.

Now moving on to give you an idea, a more macro-outlook of India's economic growth for '21-'22. The last financial year witnessed a strong rebound in economic activities after the disruption caused by the second wave of the pandemic. The economic recovery was aided by rapid COVID vaccinations and the reopening of the domestic economy and accommodative monetary policy and expansive fiscal policies by the government. India's GDP growth stood at 20% during the first quarter of the fiscal year '21-'22 and at 8.4% in second quarter. Overall, the domestic output registered in the first quarter was lower than the pre-pandemic levels and registered a 16.8% drop in comparison to the previous quarter due to the second wave of the pandemic. However, stable growth in the agricultural sector and the broad-based recovery in the industrial output had helped India to register a marginal expansion of 4% over the pre-pandemic levels in the second quarter '21-'22.

Further a rise in government expenditure and strong capital outlay to improve investment activity further has supported the rebound in economic activities. Also, the open market operations conducted by the RBI has also helped our economy.

Now, talking more about the future, meaning, the current year for '22-'23, the domestic economic activity is posed to register an expansion of 9.2%. The agricultural sector is expected to report a 3.9 growth in output, subject to a good monsoon. Other sectors including manufacturing, mining, and construction are also expected to register a double-digit growth. The services sector however, is expected to report a slow rebound, which can negatively impact the overall growth. The World Bank has

upgraded India's growth prospects in '22-'23 to 8.7% from an earlier estimated 7.5%. So, as per the latest estimates, we can expect India's economic growth to be anywhere between 7.5% to 9% for the next fiscal.

The macroeconomic indicators look stable in the medium to long term. The intermittent supply chain disruptions due to lockdown in different parts of the world, and the crisis in Ukraine, high inflation and volatile raw material crisis and the fall of the rupee versus the dollar and such other issues which we've experienced in the last few months are expected to stabilize by the end of the year. Moreover, I think your company is well placed to mitigate all these risks and cease the opportunities going forward.

Now, to talk more from the Ador Welding perspective, we expect '22-'23 to be another good year, primarily due to the public sector investments assuming that the fourth wave of the pandemic does not cause any more chaos. But there are some risk factors that we still need to be aware about and be cognizant such as, erratic raw material prices, the unstable global situation due to the Russia-Ukraine war, sky rocketing fuel prices and the volatility in material prices, especially that of steel, supply chain issues and the ever-challenging competitive market conditions. So, we've been able to steer through these rough waters of the economy and come out with flying colors. So, we continue to face these risks in the current year also, but I think we're well prepared to deal with it.

On the international front, I am happy to share that Ador Welding has recently opened an office in Dubai, and our focus going forward will be on our key international markets. This is very exciting for us. So, to keep growth on the right track, we have outlined a few key business priorities which I'd like to share with you.

The first one is proving cash flow management, the second one is efficient and effective supply chain, third is productivity improvement, fourth, strategic associations in new product launches, fifth exploring new geographies, and the sixth one is to utilize technology and IT enabled services to optimize key business processes.

On the innovations and new product development front, your company is continuously working on a latest technology and developing new products to meet the customer expectations. Our R&D team has introduced several new products by using latest digital platform which have added many features including IOT and flexibility of usage to our customers. Due to improved reliability and user friendliness of these products, we could gain customer confidence which is giving us a competitive edge in the marketplace.

Now, I'll just give you a little bit of an overview specifically about our industry, the welding industry. The inherent demand in the Indian welding industry also appears to be quite strong. Robust steel consumption, GDP growth and IIP data underlines this strong demand. Industry such as oil and gas, power, heavy engineering, ship building, railways, automobiles are all major users of welding

products and they are all showing good signs of sustained growth. India is expected to attract around \$100 billion of foreign direct investment in '21-'23, which would translate into a high CapEx.

Infrastructure development has continued to be one of the major focus areas of this government which will bring more business for the welding industry as well. So, all this spells quite good and good growth prospect for the welding industry. Additionally, a weaker rupee has helped increase the potential for import substitution as well as export competitiveness of our products.

So, now I've just given you a whole overview of the welding industry, the macro-outlook, and also of Ador Welding. Now, coming a little bit more to home.

There have been some changes in our Board of Director, so, I'd like to share those changes with you. Mr. Deep Lalwani has tendered his resignation as a Whole Time Director whereof 31st March 2022. This was basically a part of the restructuring of the Ador Group. He still continues to be associated with us as a non-executive and non-independent director.

Also, post the end of the last financial years, Mr. Navroze Marshall has been appointed as a non-executive and independent Director of your company. His nomination was recommended by the nomination and remuneration committee in May 2022. Mr. Marshall has a vast experience of over 15 years in handling multiple business verticals. So, we welcome Mr. Marshall to our board.

And now, I guess all of you have already heard the big news. As you may be aware the Board of your company has approved the amalgamation of Ador Fontect Ltd. with Ador Welding Ltd., in its Board Meeting held on Tuesday 31st May 2022. So, apart from cost optimization, this amalgamation will bring tremendous synergy in ramp building, manufacturing, distribution, human resource, infrastructure, financial capabilities and R&D. I'm sure this merger will prove to be a complete game changer for our company and take us into the next phase of growth and market domination.

Ador Welding, post the merger, will have an edge over its competition, which will help us regain our position as being a market leader. The ultimate aim here is to improve customer experience and maximize stakeholder's value. I'm sure that all the stakeholders will continue to hold their faith in the Board and management team and support all our endeavors going forward.

Ador Welding has 100% owned subsidiary Ador Welding Academy, which is in the process of being amalgamated with your company. The application for this amalgamation is still pending till the final hearing at NCLT branch in Mumbai. Post this amalgamation, Ador Welding Academy its entire subscribing data capital which is held by Ador Welding and through its nominees will not be required to issue/allot any shares to shareholders at Ador Welding Academy Ltd.

So, your company has also been doing a good deal to give back to the community. So, I'm talking about CSR here. We have been

contributing to the CSR initiatives not only from the time that it was made mandatory under the law, but we've been doing this for many years prior through Advani – Oeklikon Welfare Fund. So, in the financial year '21-'22, we have contributed under CSR for the focus on women empowerment, healthcare, education of underprivileged children through many reputed NGOs and institutions who are actually implementing agencies and not just channels to gather or collect funds.

It's important to note here that all these proposals have been personally vetted by the directors and management themselves personally in order to confirm their genuineness.

And now with this, I think, I have completed giving a complete overview of the company and its operations and the macro-outlook. And I'd just like to end by saying that FY '21-'22 has indeed been a very productive year and we've registered extreme growth and have overcome our challenges from the previous year. Our team at Ador has been amazing and we have worked through all these challenging times together. We're very happy to inform you that all our employees and their family members have been fully vaccinated and most of them have also taken the booster shots.

So, we're looking forward to another promising year ahead and I'd like to thank Ador team for all their efforts and dedication. And we're focused on creating the best welding experience for you through our three core values, our performance, trust, and customer experience. And on behalf of Board of Directors, I extend my sincere thanks to all our shareholders, customers, dealers, distributors, suppliers, channel partners, bankers, government agencies who have made this year a very successful one. So, looking forward to another good year. Thank you and stay safe.

Aditya Malkani

Well done.

Ninotchka Malkani Nagpal

Okay, so, we're done with that. So, now I'll just proceed with the business of the meeting. The resolutions stated in this 69th AGM will now be taken up for e-voting. However, we shall not be taking names of the proposer under the said resolutions, as the same is not required.

So, we have shareholders who have registered themselves at this AGM as speakers. So, I will quickly just read out a few guidelines which we need to just adhere to for the smooth functioning of this AGM. So, the question-and-answer session will be anchored by the moderator, Ms. Pooja Prabhu, and she will call the registered speakers to come up one by one. Members who will be announced are requested to un-mute their microphone before speaking and also enable their webcam if they want to be seen on the video. Members are requested to mention their full name, folio number, client ID or DP, and their location. Members are requested to restrict their questions to 3 minutes, please, so that all speakers get an opportunity to speak and ask questions. Members are requested not to repeat the same questions in the interest of time so that everyone gets a fair chance. If any speaker gets disconnected due to connectivity issues, we shall proceed with the

next speaker and the said speaker will be connected again if possible. It may be noted that the company reserves the right to limit the number of members asking questions depending on the availability of time. The answers to all the questions will be answered at the end of the Q&A session, and we have received some questions on e-mail from a couple of shareholders so, those responses will be taken up at the end as well.

Yes, I think that's it. And yes, now Pooja, can I just hand it over to you to just facilitate the members to ask their questions, please?

Pooja Prabhu

Yes, ma'am, thank you.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Good morning shareholders. My name is Pooja Prabhu. I am your moderator for today's Q&A section. Our first speaker for the day is, Ms. Ashalata Maheshwari. Ms. Maheshwari, you are now being placed in the meeting. I request you to un-mute your audio, start your video and ask your questions please.

Hello? Hello? Hello, Ms. Maheshwari?

Ashalata Maheshwari

Can you hear me?

Ninotchka Malkani Nagpal

Yes, we can.

Aditya Malkani

Yes, yes.

Ashalata Maheshwari

Chairman sir, and all the Directors, my name is Ashalata Maheshwari. Greetings to you. I actually wanted to felicitate you with flowers because of all the hard work that you have put in to get the company in profit. Especially Mr. Nagpal who is even more beautiful than the flowers. I am far away from you and that is why I could not get the flowers to you. Am I audible to you?

Ninotchka Malkani Nagpal

Yes, it is.

Aditya Malkani

Yes, it is.

Ashalata Maheshwari

I read the balance sheet and I was very happy to see that the company has shifted to great profits instead of loss. That too at a time – the revenues of the company have increased and even the net worth too. Book value has also increased. And over all that, you have given a 12.5% per share dividend and made us shareholders very happy. What would we ask for more than that? I would like to say a couple of words here, 'Zindagi ke kuch duwaye toh lelo humse, AGM par kuch nazrana toh lelo humse. Bharde joh rang aapke jeevan mein, aapke pyari se, humari pyari mubarik baat toh lelo aaj humse.' I am very far away; I am sending you congratulations from far away.

I had read that the company is planning to spend on CapEx and upgrade plant machinery worth 38 crore for research. The company will see many more good days with the good work that you are doing. I would like to say here, 'Chehre par hogi khushiyan aapke, aakhon mein sammaan hoga. Chehre par hogi

khushiyan aapke, aakhon mein sammaan hoga, mujhe yakeen hai, ek din, Mrs. Nagpal ji, is company ke upar aapke kadmon mein aasmaan hoga.' I pray to God that you see such good days.

You spent Rs. 47 lakh for CSR of which you educated children and taught the women to be self-independent. You arranged drinking water for the poor. You will get lots of blessings because of this, and I would like to say, 'Yuhi haasil karo safalta, ek din aap itihash rachaoge. Haasil karo safalta, ek din aap itihash rachaoge. Paar kar rahe har wada ko, aap saare jag mein chha jaoge.' This is what I would like to say to you. And madam, lastly I would like to say this to you, you are not seen smiling in your photo. You are completely serious. If you could smile a bit, it is such a good performance, if you would smile then, you would be more beautiful than a rose. I would like to say here, do smile in your photo for next year. Look at our MD sir, he has such a big smile. If you would smile I would definitely say this for you, 'Aapko dekhkar kaliyan muskaye, aapko dekhkar jugnu muskaye, aur aapko dekhkar raat ki rani rehlaye.' So, it is my request to you that smile in the coming year.

And lastly Chairman sir, I would praise your secretary Dheeraj, he speaks very softly. No matter how many times I call him, he is never irritated. And if I were to be honest, he is the secretary, but the company got a diamond in him. I bless him and wish him to keep rising in life. He is very far from me, but I keep my hands on his head and bless him. All my well wishes be with you. And as I go, I would lastly say, 'Ek din zameen ko sitaron se sajaya jayega, ek din zameen ko sitaron se sjaya jayega, jab humari company ka naam number one companiyon mein geena jayega.' I will be waiting for that day and I salute [inaudible 28:27], every employees and executives that they worked together. I salute and say, Jai Hind to them.

Passing each and every resolution, I thank you all and God bless you.

Ninotchka Malkani Nagpal

Thank you. Thank you.

Pooja Prabu

Our next speaker for the day is, Ms. Lekha Shah. Ms. Lekha Shah, you are now being placed in the meeting. Kindly un-mute your audio, start your video and proceed to ask your questions, please.

Hello? Lekha Shah?

Lekha Shah

Hello? Hello?

Ninotchka Malkani Nagpal

Yes, we can hear you.

Lekha Shah

Thank you, ma'am. Respected Chairperson ma'am, Board of Directors, and my fellow members, good morning to all of you. Myself, Lekha Shah from Mumbai. First of all, I'm very much thankful to our company secretary Bhide sir and his team, especially Pooja ma'am for extending very good English services and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. And also, our company

secretary Bhide sir always answered all my calls and have happily cleared all my doubts. Once again, thank you so much Bhide sir.

Thank you ma'am, for explaining as well about the company. Congratulations for excellent work ma'am. I pray to God that he always shower his blessing upon you. I am glad the company is doing very well in the field of CSR activities. Thanks for the dividends ma'am.

Ma'am, I would like to ask a few questions. My first question is, for our R&D, what is the CapEx program for the year '22 and '23. My second question is how many of our manufacturing plants are going for expansion and replacement of all the machineries. My third question is, in CSR activities, what is the expenditure amount spent and where are CSR activities located? My fourth question is, in the year 2021 and '22, what was the revenue received from our properties and **[inaudible 31.08]** during the year?

So, I would like to say, I strongly support all the resolutions for today's meeting and my best wishes always for our company and its prosperity. Thank you, ma'am.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Our next speaker for the day is, Ms. Smita Shah. Ms. Shah, you are now being placed in the meeting, request you to kindly unmute your audios, start your video and ask your question. Hello?

Ninotchka Malkani Nagpal

Yes, go ahead please?

Smita Shah

Yes, can you hear me?

Pooja Prabhu

Hello?

Aditya Malkani

We can hear you. No, that's Pooja.

Ninotchka Malkani Nagpal

No, that's Pooja. One sec, she's not joined yet.

Smita Shah

Hello? Hello, madam can you hear me?

Ninotchka Malkani Nagpal

Yes, we can hear you now.

Smita Shah

Okay, okay. Thank you, madam. Respected chairperson...

Ninotchka Malkani Nagpal

Can you speak up please?

Smita Shah

Yes, sure, one minute. Hello? Hello?

Ninotchka Malkani Nagpal

Yes, please go ahead.

Smita Shah

Can you hear me now?

Ninotchka Malkani Nagpal

Yes, it's better.

Smita Shah

Okay, thank you, madam.

Aditya Malkani

We cannot hear you ma'am, we cannot hear you.

Smita Shah Can you hear me?

Aditya Malkani No, ma'am, we cannot.

Ninotchka Malkani Nagpal It's very low, please speak up madam.

Smita Shah Okay. Can you hear me now?

Ninotchka Malkani Nagpal Yes, it's fine now.

Aditya Malkani Yes.

Smita Shah It's fine, right? Okay, okay. Respected chairperson Mrs. Ninotchka, MD Shri AT Malkani and other respected directors, I am Smita Shah. Good morning madam. First of all, I would like to welcome our new whole time director Shri DA Lalvani and executive independent director Mr. NS Marshall. I also wish you the best. Today is our 69th AGM and next year would be our 70th, so, we hope that we would be physically present with you. And madam, having a lady chairperson in the board today has increased the elegance of the company. You have increased the splendor of the company and my heartiest congratulations for the company's excellent performance. You are the example of women power and I feel very proud of you.

But madam, just as the previous speaker mentioned, you look very serious in spite of your balance sheet. Madam, when you are taking the company ahead with hard work and dedication, then a smile needs to be very big and full of happiness. So, do make sure you take a photo with a very big smile next year.

And looking at your performance, it has been excellent. The turnover, sales and other income, profit after tax has all increased. Your CSR activities are also very good. So, everyone has blessed you for your good work. And the product that you had mentioned on Page Number 14, it makes us very happy to see this product madam that the company is growing with good work. That's a good thing.

But madam, next year being our 70th year, our position is almost good, on that occasion, arrange a plant visit next year so that we can see our products face to face. So, do please make arrangements for a visit.

Other than that, I hope that your future **[inaudible 35:02]** the company grow leaps and bounds in the coming years and you will be able to give better dividend. So, with this hope, I wish that God always bless you always. And next year being our 70th AGM, like I had mentioned before, it would be a good time for us to meet. So, it would be good if you could meet us personally like previous years, we definitely want to meet you personally during the AGM.

We received the balance sheet on time with good, full information, it was informative, transparent and colorful photo. And also, always with a smiling nature, helpful company secretary for good investor service, I would like to thank Mr. Vinayak Bhide. He is very helpful and a hard worker along with his team member, Mrunal Pooja. So,

I would like to thank and congratulate the entire team and wish you the best. And wishing the best for all the upcoming festivals in advance, always supporting you so, even today, I fully support all the resolutions. Thank you.

Madam, please be on the line, Bharat Shah will come on the line now.

Bharat Shah

Respected chairperson – you can hear me, right?

Aditya Malkani

Yeah, go ahead.

Ninotchka Malkani Nagpal

Yes, we can hear you. You can go ahead.

Bharat Shah

Respected chairperson, MD, and other members and directors, my name is Bharat Shah. I have been a trader in your company since many years and I always attend the AGM. I do not have any [inaudible 37:01]. You have been running the company [inaudible 37:04], you have always taken care of the shareholders, and give good return. I thank you and congratulate you. There have been growth in all sectors and you are running the company completely ready to grow more. The dividend is also good. If possible, I would request for a bonus next year and I am also thank you and congratulate you for all the awards. CSR schemes are also doing well, it's about humanity and you are running good CSR activities. I thank and congratulate you. I thank company secretary Mr. Vinayak Bhide and Mrunal Pooja from his team, and the entire sales team because Vinayak is a very hard worker company secretary. He has always respected the shareholders and solve their queries. He also gives best investing solutions. If there is any other issue that we face, his team has tried their best, Pooja, Mrunal, and Vinayak, has tried their best to give us solutions. So, I thank them.

And if possible, it would be nice to have a physical AGM so we can meet face to face. We haven't met for the past three years so, do try to hold a physical AGM next year. And factory visit hasn't been done for the past five to six years, so, do please arrange a factory visit next year so that we can look at the products. So, I would request for a factory visit. I wish you in advance for all the upcoming festivals like Ganesh Chatuthi, Dipawali, and Dussehra and I pray to God that our company grows by leaps and bounds.

I support all the resolutions and that's, it. Thank you. Jai Shri Krishna, Jai Hind and thank you sir. Thank you. Jai Hind.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Our next speaker for the day is, Mr. Yusuf Rangwala. Mr. Rangwala, you are now being placed in the meeting. Kindly unmute your audio, start your video, and ask your questions, please. Hello? Hello?

Yusuf Rangwala

Yes, can I go sir? Can I go?

Ninotchka Malkani Nagpal

Yes, please carry on.

- Yusuf Rangwala** Yes, good morning sir. Good morning Chairman, sir. Very good morning madam.
- Ninotchka Malkani Nagpal** Good morning.
- Yusuf Rangwala** I am speaking from [inaudible 39.38]. First I thank our [inaudible 39.40] who is a very excellent company secretary and hard working. We are very lucky [inaudible 39.46] company secretary and I especially thank [inaudible 39.49] madam. We are very happy to have an excellent company scheme. Mentioned a dividend INR12.5, that is very excellent, very handsome. Sir, on the front page we have, Ador is proud to be a competing [inaudible 40.07] becoming an Indian – this on front page [[inaudible 40:11] you had given on the first page, so, I would like to know about that. And you have printed 14-15 products more and seeing that makes me very happy madam. Our company's sales department is also doing good work. And I join the others when they say that your photo is very serious when you have such a good profit on your balance sheet. You have given a dividend Rs. 12 – Rs. 10 face value which is very excellent. And this is the 69th annual general meeting and next year will be 70th annual general meeting, whether we can expect a bonus from you madam, I hope we can.
- I would like to say a small phrase, 'Aise waise ko diya hai, mujhe [inaudible 40:57], ek peg bonus dilade,' This is a small song madam. 'Ek peg mujhe bonus dilade,' and I also [inaudible 41:05] many years has passed madam. Let's have a physical meeting from next year and madam, I would like to know what is the total number of staffs. What is the book value at present? What was it previously? I have two questions, what is the book value, what is your EPS and what is the total number of staff at present working. And you have taken people at – it was very nice to know. You have printed the balance sheet around 240 paise, I would salute [inaudible 41:43] sir for giving such a good service and I hope for a physical meeting next year. With folded hands I pray that your health and wealth always be good. You have my full support madam. Thank you very much. Jai Hind, Jai Maharashtra. I will end my speed here only madam. Thank you very much.
- Ninotchka Malkani Nagpal** Thank you so much. Thank you.
- Pooja Prabhu** Thank you. Our next speaker for the day is Mr. Ronald Fernandes. Mr. Fernandes you are now being placed in the meeting, request you to un-mute your audio, start your video, and ask your questions. Hello? Hello?
- Ronald Fernandes** Yes, you can hear me?
- Ninotchka Malkani Nagpal** Yes, we can hear you. Please go ahead.
- Ronald Fernandes** Okay. Good morning, madam Chairperson, managing director, directors and my dear fellow shareholders. My name is Ronald Fernandes. At the offset first and foremost, I wish to thank the company secretary Mr. Bhide and Pooja Bhatt, as well as all the administrative staff for sending the AGM notice on time. It's very much bright, informative, and of course, no doubt, it's the 69th

AGM. And when I look at 69th AGM I think about the number 6 and 9, when you reverse the alphabets it comes to 69. So, it's VAT 69, the value added taxes, what you have given for us, INR12.50 dividend on your 69th AGM. I think by the 75th AGM, INR12.50 will become INR21.50 by just reversing because we'll get a dividend at least under INR20 -- in the 74th AGM, we'll get INR20 dividend.

Ninotchka Malkani Nagpal

I hope sir.

Ronald Fernandes

Yes, if you increase – hello?

Ninotchka Malkani Nagpal

Yes, we can hear you, we can hear you.

Ronald Fernandes

Okay. And if you increase the dividend every year by INR1.50 that will even suffice with two bonuses coming in the middle. Either on the 70th year and then the 73rd year. Of course, no doubt looking at it also, your AGM report is having 272 pages, and 16 pages of the notice comprising of 288 pages. That's Ador Welding Ltd., because when I say 288 pages, it's $2+8=10$, $10+8=18$ and Ador Welding Ltd., is having 18 alphabets which I would like to highlight to you also.

Now, looking at it also, I would like to know what is the R&D procedure that you are going to do for the next three years. I would like to also highlight to you till the 75th AGM, how many more units, plants you will be opening because after all Ador is creating peace of mind. And, of course, you have used the word, creating the best welding experience and, of course, all Adorians of yours are well experienced in this professional line. And it has been a long-term business. And second thing also, looking at it all the future prospects you are getting and all that, that would be something good in all that.

So, I would also highlight to you if something would be highlighted more of taking us for a factory visit, because we have not had a factory visit long time. So, we would like, shareholders of the company, because we have not met for three years now. Looking down the line, we are always talking on the phone. Once upon a time if I visiting I am seeing people everywhere. Nowadays we cannot see.

Secondly, madam I would like to highlight to you, your face is very, very, very, very, very serious minded. Of course, no doubt I would not like that type of attitude but it's one thing, very good, it's showing your stern peace of mind that you are having which everybody knows is because of the dividend you have given. Of course, I have nothing much to add to it. I would like to support all the resolutions and thank the Management for patiently listening. Thank you.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Thank you so much. Our next speaker for the day is, Ms. Vasudha Dakwe. Ms. Dakwe you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Hello? Ms. Dakwe?

Vasudha Dakwe Can you hear me ma'am?

Ninotchka Malkani Nagpal Yes, please we can. Go ahead.

Vasudha Dakwe Thank you very much. Very good afternoon, respected Chairperson madam, Board of Directors, and my fellow shareholders. Myself Vasudha from Thane. I would like to congrats our company secretary for sending the soft copy of the report well in advance, which itself is clear and transparent. I would also like to congrats for declaring the dividend for the minority shareholders during this pandemic situation. I would like to ask, who are our main **[inaudible 46.46]**? Secondly, I would like to ask, can you throw some lights on our next two years R&D expenditure?

With it, I support all the resolution. Thank you very much and wish the company all the best for coming financial year and **[inaudible 47.04]** during this seven months.

Ninotchka Malkani Nagpal Thank you.

Vasudha Dakwe Thank you, ma'am.

Ninotchka Malkani Nagpal Thank you.

Pooja Prabhu Thank you so much. Our next speaker for the day is, Mr. Bimal Agarwal. Mr. Agarwal you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions.

Bimal Kumar Hello, can you hear me?

Ninotchka Malkani Nagpal Yes, yes, carry on.

Bimal Kumar Okay. First of all, I thank the company secretary and his team for the excellent work he has done. We are now into – this is the seventh decade – next year will be seventh decade for the meeting. And the company has reported strong revenue – can you hear me?

Ninotchka Malkani Nagpal Yes, please carry on.

Bimal Kumar Company has reported a strong revenue and profit number during FY'22. Please explain the factor that helped achieve this growth. Last year commodity prices were high. Despite this, the company has managed to improve its margin. Please provide the insight into the margin improvement. How does the China factor impact the business of the company? And please provide the detail of CapEx plan? And what was the impact of rupee on our business, rising rupee on our business? Thank you very much. That's all from me. And first, madam, you should take number wise. They had joined, some husband and wife joined then they say next please, let this fellow also speak. You should keep the number. If their number is there then you allow them.

Ninotchka Malkani Nagpal Their number was there, Mr. Agarwal.

Bimal Kumar Pardon?

Ninotchka Malkani Nagpal Mr. Bharat Shah's number was there right after his wife, that's why we took him on.

Bimal Kumar Okay, okay. Thank you that's the only – okay.

Ninotchka Malkani Nagpal No worries.

Bimal Kumar Thank you very much and hello, and always have the meeting online.

Ninotchka Malkani Nagpal Okay, thank you for that. Yes, we will keep that in mind.

Bimal Kumar Yes.

Pooja Prabhu Thank you so much. Our next speaker for the day is Ms. Yachna Bhatia. Ms. Bhatia you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions please. Hello? Hello?

Yachna Bhatia Can you hear me now?

Aditya Malkani Yes, go ahead.

Ninotchka Malkani Nagpal Go ahead.

Yachna Bhatia So, first of all, congratulations on a very good year. I think on all fronts, on sales, on margins, on working capital, on dividend, everything. I had a few questions. First question was on the CapEx revival rate, so, on the last call that we had, you had indicated that in May you were seeing some kind slow down though June had started to look better. This was around early June. So, if you can give an update on that.

Second question was that, by when do you expect to reach 15% operating margins in the consumer's business? You'd indicated in the last meeting around Q2, Q3 this year, which I understand is delayed because of the macro environment. But if you can give an updated sense on the timeline for that.

Third question is on the flares business, where we've recently received a large order of 145 crore to be executed over 30 months. So, in general if you could just comment on what are your ambitions in this space? Where do you see this business is say, three years from now? And also this project in specific, if you can elaborate on the scope, your expected margins, return on capital? And specifically how are you covered with respect to the commodity price changes over the tenure of the order? And what will you do differently to ensure that we don't have a similar experience here compared to the projects business in the past.

My next question is, if you can elaborate on what kind of consolidation benefits do you expect from the merger over the next two to three years?

And my last question is on the capital allocation strategy going forward. How do you intend to spend your operating cash flows? So, if you could give a broad roadmap in terms of CapEx, dividend.

So, for example, this year was a good dividend. Can we assume 35% to 40% of PAT as dividend as a base case? That's all from my side.

Pooja Prabhu

Thank you so much ma'am. Our next speaker for the day is Ms. Swechha Jain. Ms. Jain you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Hello?

Swechha Jain

Hi, am I audible ma'am?

Ninotchka Malkani Nagpal

Yes.

Swechha Jain

Okay. So, I have a couple of questions. My first question is, I believe we are order driven. So, if you could just help us understand the order book that we have in all the three segments. Also, we have a couple of properties, we've mentioned those in our annual report. So if you could give some color as to what is our monetization plan and how do we plan to utilize these funds? If you could also help us with the volumes for the consumerable and the equipment business both in FY'22 and '21.

Ninotchka Malkani Nagpal

Is it consumerable and which other business please?

Swechha Jain

The equipment business, ma'am.

Ninotchka Malkani Nagpal

Okay.

Swechha Jain

What kind of EBIT margins can we see from here in each of three verticals for next one or two years? Then, my next question is, if you could also give us the plant capacity and the capacity utilization for both FY'22 and '21. And ma'am we are also planning the CapEx of INR28 crore, if you could just give some sense as to where exactly we are going to do the CapEx in which division? And what kind of asset turn can we expect from this CapEx? And also, significantly reduced our working capital days from 87 to 68 days. And even in '21 they were pretty high [inaudible 53.48] levels. Is this sustainable or do you think this can go back [inaudible 53.55] expect? And if you could help us understand the update on COVID project, I think I [inaudible 54.03] expecting some...

Ninotchka Malkani Nagpal

Sorry, could you repeat that? We couldn't really hear you. The last question?

Swechha Jain

Yes. So, regarding the COVID project, so, I think in our May or June call, we had mentioned that we are expecting some receivables out of it. If there is any more update after that. And are we expecting anymore write offs in the project business? And since now, we've moved to the flares business. So, if you could help us understand how do we envision this business over next two or three years? What kind of numbers are we targeting? What kind of margins, what ambitions we have for this business over next two or three years?

And also, previously also we have always mentioned that there is a significant gap in margins between ESAB and us, and somewhere that is because of the product mix. So, I just wanted to understand

how is their product mix different from ours? And how do we see this gap narrowing? And what steps are we taking – so, just want to understand where is that difference and how we are going to mitigate that difference? And if you could give some color on the export segment, how do we see it for next two or three years? What geographies are we targeting?

And regarding raw material price, I believe we are able to pass on the raw material price with some kind of a lag effect. And now, since steel prices have recently correct, they've come down, so, how do you see that benefitting us in terms of margin over next two or three quarters. And my last question is, we also plan to consolidate our factories, right? So, what kind of efficiencies or margin improvement can this bring? What is our plan around that? And second, and one more last question which is a repetitive of a previous participant question, what kind of consolidation benefits are we expecting? If you can quantify in some number, like a revenue or a margin guideline, if you could give us on that? Thank you so much for giving this opportunity.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Thank you. Our next speaker is Mr. Vaibhaj Badjatya. Mr. Vaibhav you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Hello?

Vaibhaj Badjatya

Sir, can you hear me?

Aditya Malkani

Yes.

Ninotchka Malkani Nagpal

Yes.

Vaibhaj Badjatya

Yes. So, you know, I have already submitted list of questions. There were only three so, I will repeat them in brief. But apart from that I just have one more question. So, I will start with my new questions. Mr. Deep Lalwani has resigned as part of Ador group restructuring. So, just wanted to understand this restructuring, I mean, within the Ador Welding plus Fontect and Ador multi product and other companies, what this restructuring is all about and who is going to be leading which company. I think that would be really important to know. That's my first question which I had not submitted earlier.

Now, other question is that, if you can just help us understand, as compared to pre-COVID level which is FY '19, if I take FY '19 sales number, have you lost or gained market share over these years from FY19 to '22? If you can just broadly provide a sense on that, that would be helpful. Third is that you have earlier highlighted opportunity for improvement in product mix by moving towards more value added and [inaudible 58.05] products so, if you can specify specific products or application are where we need improvement, I think this question was also highlighted earlier. Lastly, I think most of our products are sold to distributors and dealers so, just wanted to understand, are these distribution arrangement exclusive or they have the products of competitors like, ESAB and [inaudible 58.28] and all other guys as well. So,

these are the four questions. If you can answer them, that would be really helpful. That's it from my side.

Pooja Prabhu

Our next speaker for the day is Mr. Chandresh Malpani. Mr. Chandresh you are being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Mr. Chandresh?

Chandresh Malpani

Hello? Hello, you can hear me?

Aditya Malkani

Go ahead.

Chandresh Malpani

So, ...

Aditya Malkani

You have to be a little louder.

Ninotchka Malkani Nagpal

Can you please speak up a bit? You're a bit soft.

Chandresh Malpani

Hello? Now you can hear me?

Aditya Malkani

Yes.

Ninotchka Malkani Nagpal

Better, yes.

Chandresh Malpani

Yes. So, firstly I want to congratulate the Board of members on giving such stellar performance in FY'21-'22 and hoping for the same. So, I will jump to the questions part. So, basically what step the Management has taken to turn around the lag in project equipment division? Can we assume a low single digit operating margins in this segment in the coming years? And secondly, in the consumerable front, the company has delivered 15% to 16% operating margin on pre-COVID level so, what are the steps Management has taken to achieve that? And what is the outlook of the company in the current financial year considering the rise in CapEx in the end use industries and overall demand perspective being good? And where are we on the merger with Ador Fontect as in the timelines, when can we expect the merger be done? And what are the number of new and innovative products the company has lined up in this coming year? And another question is, how much revenue the sector contributes in percentage terms? And recently the company has received an order from ONGC on the flares part, so, is there any – over the period, will there be any spare capacity other than this project? So, I want to understand that as well. And lastly last question is, Ador runs an academy where it teaches professional on the welding per se. So, is Ador providing welding services as well or it just provides teaching and any plans in future to provide welding services? Thank you so much.

Pooja Prabhu

Our next speaker is Ms. Prakashini Shenoy. Ms. Shenoy, you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Ms. Shenoy?

Prakashini Shenoy

Hello, can you hear me?

Ninotchka Malkani Nagpal

Yes, please.

Prakashini Shenoy

I am Prakashini Ganesh Shenoy from Bombay. Respected honorable Chairperson, other dignitaries on the Board, and my fellow shareholders, good afternoon for all of you. I received the annual report well in time, which is informative, transparent, and contains all the information as per the corporate governance. I thank Mr. Bhide, company secretary and his team, for the same. I should not forget to thank Pooja Prabhu for phoning me and reminding me of the meeting without which I wouldn't be able to speak in today's meeting. Thank you Pooja madam.

I am thankful to Chairperson madam for giving such a beautiful speech regarding thin and thick of the company. Congrats madam. And also, I am happy to know that the company has robust performance all around when compared to last year. Congratulations for the same. I am happy to note that the company has done excellent work in respect of CSR activities during the year. I am thankful to the Board for recommending dividend for the financial year '21-'22.

Madam, I have a few questions. Who are our competitors? Number 2, what is the road map for next five years? Question number 3, what is the program for three years? How is the company planning to progress towards digital future? I wish the company good luck for a bright future and pray God that the profit of the company shall reach the peak in due course. I support all the resolutions put forth in today's meeting. Thank you very much.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Our next speaker is Mr. Vinay Bhide. Mr. Bhide you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Mr. Vinay? Hello? Hello? Ma'am, should I move to the next speaker?

Ninotchka Malkani Nagpal

Yes, please move to the next one please.

Vinay Bhide

Hello?

Pooja Prabhu

Mister – hello?

Vinay Bhide

I am Vinay Bhide, am I audible?

Ninotchka Malkani Nagpal

Yes, please go ahead.

Vinay Bhide

Yes, our executive Chairman Mrs. Nagpal, MD Mr. Malkani, other directors present today, company executives, and shareholders. Good afternoon to you all. First of all, thanks for the excellent result followed by a very good presentation in the company's annual report. I will now turn with your permission to the questions from the result and accounts. The first question is on the EBITDA margins, EBITDA margin, EBIT margin have shown best figures in the last five years. In view of the present situation of various inputs, are these figures sustainable in the current year and in the future? So, that was the first question. The second question is, what is the present order book position for consumerables and equipment automation verticals of our company? And my last question, do we expect to generate revenues for equipment and automation

comparable to the concluded year? So, these were the only questions which I could call out now from this past year's results and the annual report. I will close with support for all the resolutions. I must say, Mr. Bhide and his team comprising of Pooja and her colleagues have done a very good job as far as the coordination of the AGM is concerned, so as of the directors and employees. All the best. Thank you for giving an opportunity to speak.

Ninotchka Malkani Nagpal

Thank you.

Pooja Prabhu

Thank you. Our next speaker for the day is Mr. Dinesh Kotecha. Mr. Kotecha you are now being placed in the meeting. Request you to un-mute your audios, start your video, and ask your questions. Hello?

Dinesh Kotecha

Am I audible?

Ninotchka Malkani Nagpal

Yes, please.

Dinesh Kotecha

Yes, yes, yes. Madam, good afternoon. Now I think, I should say, good afternoon. Yes, and the Board of Directors, thank you for holding this AGM virtually. But today we have failed madam. Why? I'll tell you. Today at 400 o'clock, there is a physical meeting of Mahindra Life Science at YB Chauhan Hall in Bombay. So, we could also have held a physical meeting, madam. We have failed in that particular thing of not holding a physical meeting. That's okay.

Now secondly, now you were reading the Chairman's speech very fast. And all of your colleagues who are sitting here, three on the right side and two on the left side were having the Chairman's speech with them. But we could not follow it. You were speaking very fast as if you are giving a lecture, I mean, we could not write down the note also. We could not point out anything. Secondly, at the back of you, there should have been a banner stating that this is the AGM of Ador, 69th AGM, at least, at the back of your – that should have been placed so that we could have known that this is an Ador AGM. Something was missing in this AGM today.

Now let me come to the – several of my questions which I had noted had already been asked by Swechha Jain. But other than that, I have got several questions now.

My first question is, our year ended on 31st March 2022, you had signed the report on 30th May. On the 31st of May, the next day, you arranged a scheme of arrangement. Now, if you could have kept the Board meeting on 1st or 31st, and before holding the Board meeting, if you would have kept the scheme of arrangement, then that could also have been part of the agenda for today's meeting. So, now you will be holding an AGM, and this is spending more on the amalgamation part. Now this is where the lapse has happened on your side madam, on the next day.

Secondly, today we are having a meeting on 27.7.2022, in between, you had an analyst meet on 09/06, 9th July – 9th June, and in that you explained everything in Ador Welding and Fontect,

you explained everything about the merger and all that. And what I could find out from that is that madam, that you have declared that for every 45 shares – sorry, 46 shares of Ador Fontect, you will be giving 5 shares of this Ador. Now, in the meanwhile, before the scheme is sanctioned by the government, by the authorities, by the shareholders, if the performance of either company improves or deteriorates, will this particular ratio change? That is my first question, right. Secondly, now, I was not able to understand, there was one case in Kuwait INR15 crore, we had lost. What is the position of that case of Kuwait where INR15 crore have been stuck up by Ador Welding?

And now coming to – so many things have been said, I'll just come to Page Number 10 and Page Number 11. Page Number 10 shows that you have turned around from loss to profit, everything is good. But I would just like to request you madam, if you see the dividend which you have given on Page Number 7, INR6.5 was last year's dividend. Last year we did not give dividends. Now, if you wanted to compensate us, the dividend should have been INR13, INR6.5 of last year and INR6.5 of this year. That you have given INR12.25. We appreciate INR12.25, but logically, somebody in your Board, Independent Director who knows finance should have told you that, no, we paid INR6.5, we did not pay last year, so, this year INR6.5 and last year's INR6.5, we should have INR13. So, we have missed something there. That is first thing that I want to point out.

Now somebody has asked you, our market cap is INR1,602 crore as on today. ESAB market cap is INR5,000 crore plus. Now, we are nearly one fifth of ESAB. Price wise also they have put at INR3,200 and we have put it somewhere in the region of INR580 crore – INR550 crore, INR560 crore. Now, I would like the Management, the Board of Directors, the key persons who are taking all the decisions to sit and have a thorough, thorough understanding of what ESAB is doing. You must be having it. And why are we lacking? In which areas we need to improve to catch up with them or, at least, be very, very near their – market cap is the only thing madam which will give us better response from the market, of the shareholders.

Balance sheet, indeed, excellent. Let me tell you, very good balance sheet. All the information required; you have given. The phone numbers, the contact details, everything you have given. Continue with that.

Madam, ONGC. On 20/07 it was declared that we had received an order of INR145 crore for their flare business. Now, I would like to know design, engineering, erection commissioning, demountable, what is this LSTK that you have written? I did not understand the full meaning of LSTK. Please tell me that. Secondly, what will be the order value. Order value you have given INR145 crore, what will be the cost involved in that order value, and what will be the completion time for that order to be completed. Now several raw material prices are going high. They are fluctuating up and down. So, madam, do we have an escalation clause in that particular contract of ONGC? That is what I would like you to tell me.

Madam, what are the cost control measures that we have focused on in the current year? So, please tell me that also.

Now, coming to Page Number 11, there was one small presentation errors. EPS comes before DPS. Once you get the earning per share only then you can declare dividend per share. You cannot declare dividend and then show EPS. So, make that change little bit better for the presentation.

Page 62, madam, I would like to know that after this merger, what time you are expecting this merger to be completed? Three quarters, four quarters from today or from the date of the AGM, whatever will be held? And when will the AGM be held for the merger? Secondly, what will be the post promoter holding after the merger? I would like to know what can be the post promoter holding after the merger.

Page 91 and 92, madam, there are several key matters which the auditors have highlighted. And that one on Page 93, I was not comfortable madam. Indirect taxes and balances. Auditor has said that we have got indirect taxes notice to the extent of INR2,406 crore net provision, INR1,353 lakhs have been contingent liabilities. Now please explain me this, what is the position of this indirect tax and balances as on date.

Coming to Page 99, now I think this is the proper format – no, Page 99, a proper format should be help – because you are giving quarterly, for every quarter, June, September, December, March, the chart should be made better. If you want, at all, to give us this particular chart, it should be better. And why that reconciliation difference is there between the amount disclosed and amount shown in the books of accounts? Difference is shown, INR179 lakh and INR179lakhs, and last is also INR179 lakhs between INR503 lakhs, INR48 lakh and all that. Now, is it not reconciled? It should be reconciled. There should not be any difference in what has been – as per as return and as per book of accounts. Now, that is not proper accounting. There is some lapse. Some check and control system has to be done by the finance people. You cannot tolerate this madam. As a Chairman, you cannot tolerate this. Audit committee members should take care of this, madam.

Ninotchka Malkani Nagpal

[inaudible 74.13] exactly.

Dinesh Kotecha

Page 100, now this is a good presentation.

Ninotchka Malkani Nagpal

No, what do you want us to take care of this, I didn't understand what you're saying?

Dinesh Kotecha

Madam, Page 100, very good presentation. Year wise all the cases have been described and year wise what is paid under dispute is described so that we can know what is the position of each particular case, each particular year. Thank you very much and thanks to the auditor also for showing this good presentation. It should be year wise only. Madam, Page...

Ninotchka Malkani Nagpal

So, what have we missed? You just said that we've missed out something. So, please clarify that.

Dinesh Kotecha Where?

Ninotchka Malkani Nagpal You just said earlier that something has been missed that the auditors or someone should pay attention to. So, what are you talking about exactly.

Dinesh Kotecha I am talking of Page 99, it should be in the proper format.

Ninotchka Malkani Nagpal What should be in a proper format?

Dinesh Kotecha We don't know the – see, the same amount is appearing so, it should be in the proper format.

Ninotchka Malkani Nagpal One second, reason is given in the column, please read it.

Dinesh Kotecha I have read it, madam. I have read it.

Ninotchka Malkani Nagpal Then why are you saying it's not in proper format?

Dinesh Kotecha Yes, we can discuss about it later on. Madam, Page 107, I am very happy with IPR, the incremental profit ratio, because last year was a loss and this year it's a profit and on very, very marginal capital employed increment, we have made 224% on the incremental profit ratio. That is fantastic, fantastic. But I don't know whether we'll be able to maintain it because next year's results will be compared with the profit figure, will be compared with the profit figure.

Ninotchka Malkani Nagpal Is there a question there please?

Dinesh Kotecha Yes, I'll tell you. These are the questions; I am appreciating also what is there. When somebody is appreciating you are very happy, when I am telling you then you are getting irritated, madam.

Ninotchka Malkani Nagpal I am not getting irritated. I am just saying, you are asking whether it's sustainable or not, is that a question?

Dinesh Kotecha Yes. Madam, I want a list of top 10 shareholders, public shareholders, not the non-institutional and non-promoters, I want a list of that to be sent to me.

Ninotchka Malkani Nagpal That will be sent to you offline, please.

Dinesh Kotecha Top 10 shareholders list from the public.

Ninotchka Malkani Nagpal Offline, offline.

Dinesh Kotecha Yes, which is not given. So, I am asking it.

Ninotchka Malkani Nagpal It will sent to you, offline.

Dinesh Kotecha Yes, it can be sent to me offline. No problem. Other than that madam, I want you to give me more details about the merger which is going to take place, the time lag, by what period you expect it to be completed. And whether, after all this completion, by what period we will be achieving a turnover of INR1,000 crore.

Ninotchka Malkani Nagpal You're on mute please sir. You're on mute.

Dinesh Kotecha I want you to tell me, by what time period we are going to achieve a turnover of INR1,000 crore, first milestone to be covered.

Ninotchka Malkani Nagpal Mr. Kotecha we're not soothsayers. I cannot tell you when I'm going to reach INR1,000 crore. I wish I could see into the future, into a crystal ball, I would give you an answer.

Dinesh Kotecha But what is the planning in the company, madam? What is the planning? Strategic planning must be going on.

Ninotchka Malkani Nagpal That we can talk about, yes. But I cannot tell you when we'll be INR1,000 crore. Sorry.

Dinesh Kotecha Tell me the deliberations in the Board that is going on for that.

Ninotchka Malkani Nagpal I cannot share the deliberations in the Board. We can share the strategy with you.

Dinesh Kotecha There should be -- every year you must planning for the next year and the next year.

Ninotchka Malkani Nagpal Mr. Kotecha we have regular investor meets, please join the next investor meet if you are interested to know about the strategy of the company.

Dinesh Kotecha Madam, in the investors meet you are answering all the questions...

Ninotchka Malkani Nagpal Pooja, can you please stop this please and go to the next speaker, please?

Dinesh Kotecha Yes. Madam, in the investors meet you are only talking...

Ninotchka Malkani Nagpal Thank you. Thank you, you've exceeded your time limit. Pooja, please go to the next speaker.

Dinesh Kotecha You are talking only with the...

Ninotchka Malkani Nagpal Please go to the next speaker and mute him please.

Pooja Prabhu He was the last speaker of the day. So, now I – there are no more speakers. So, now I hand it over to Mrs. Ninotchka Malkani Nagpal, the Executive Chairman, for addressing the shareholders and answering their queries.

Ninotchka Malkani Nagpal Yes, okay. So, thanks, everyone for all your questions. So, just wanted to just touch upon a few of the issues and then, I'll pass it on to Aditya who is the Managing Director, who will talk more about the operational side.

So, I think there were multiple similar questions about the proposed merger with Fontect. So, just wanted to let you that the timeline that we're looking at is a minimum of a year from now. It all depends because it has to go for NCLT approval, et cetera. So, we're looking at, at least a year. As things moves along, we can

give you a more concrete timeline, but it's most probably a year to 15 months, till the merger is complete,

Then, there were many shareholders who had requested for factory visits, just wanted to let you know that due to COVID, we've been very cautionary about it. Last two years have been very difficult, for a period of time our factories were closed, you know all of that. So, factory visits have become very difficult. But as the situation eases, I'm sure that Mr. Bhide will look at it, but currently cases in Maharashtra again are going up in COVID, so, it doesn't look like in the very immediate future, we will have a factory visit. But we'll keep it in mind to do that.

The CSR expenditure details, someone had asked about CSR details, it's been given on Page 29 and 34 of the report, AGM Report. So, if you can please refer to that.

And then, there were some suggestions about a physical AGM, it will all be subject to the whole pandemic situation. This time also, we took precautionary measures and had it online. We, of course, would like everyone to be physical so that we all can meet. So, hopefully God willing next year it will be a physical AGM.

And I think there was a question also about what is our staff strength. As on 31st March 2022, we have 537 people employed. This is also given in our annual report on Page 70.

There was also a question that was posed regarding dividend, how we should double it and give 13% because we didn't give last year, et cetera. You need to understand that the company has a dividend policy and we also have to look at our earnings and our income, et cetera. There are many factors that we look at. And, in fact, I think the shareholder should be overjoyed that we've given such a healthy and hefty dividend this year considering that we've had two years of a very stringent pandemic going on where many other companies have not performed well and considering that last year also we had headwinds and we've overcome that and we've given a very healthy dividend. So, I really don't understand the logic of a 13% or 13.5%. We are not doing a class on numerology here.

There was also a question about distributors. So, most of our distributors are not exclusive. We have a few, a handful of them who are exclusive, but distributors basically handle various products of various companies.

There was also a question that some people could not understand my speech. I apologize for that. I will be more cognizant next time to be slower. But the transcript of my speech will be uploaded on the website shortly after the AGM. So, if anyone wants to look at it, I request you to please go and have a look.

So, there was a couple of questions on the Board Meeting date and the date of amalgamation. So, just to clarify, Board Meeting for adoption of accounts was on 28th May 2022 and not on 30th of May, as someone had mentioned. And the amalgamation was announced 11 days after. This was done in consultation with all

our merchant bankers and our management team etcetera. So, it was worked out for this purpose.

The other thing is that there was a question that we are wasting resources and we have to have another AGM et cetera. So, just to clarify, shareholders meeting for amalgamation cannot be taken along with the AGM. It has to be a separate meeting and this is as per law.

And also, there was a question about the merger that's happening, whether the swap ratio can change. It is not changed. Anything can happen post the date, but the swap ratio will remain the same as it has been.

There was a question as to what is LSTK, the terminology. I think it's lump sum turnkey. So, that's what it is.

There was a question about post-merger what will be the promoter holding, it's going to be 53%. That's going to be the promoter holding, post.

There was a question in the end about, on Page 99, which was much debated. The reason is given in the column so, request you to please have a look.

So, I think this covers all the main questions that were asked regarding the proceedings. Now I'll just hand it over to Aditya who will talk more about the operational matters.

Aditya Malkani

Thanks. Okay, I'll try and cover a few of these questions step by step on business vertical side, and in case, we miss something, I don't think we will do it after this, but you can send in anything on writing to Mr. Bhide and then we can respond accordingly.

So, the first thing I'm going to talk about is the welding business. Ms. Yachna Bhatia asked some questions regarding that. CapEx revival, compared to the analyst meet that we had in early June, we are seeing a revival. We are seeing that there was a period of waiting that was going on as far as steel prices were concerned and we have a sense and a feel that this volatility is going to normalize a little bit. We can't predict more than three to four months going forward, but we see things stabilizing and we're definitely seeing a slight revival in the market.

Operating margins, as I said in the analyst meet, it's the same thing. Nothing changes from there. It's quarter-on-quarter we keep looking at it, trying to improve as many questions have come on the comparison versus our competitors and all of that. There is scope for improvement. It's not only product mix issue, the way you sell is also – the market you sell into. Step by step every quarter we try and move a little bit and there is room for improvement. You have challenges when steel prices go down, it's challenging as well because it years of inventories and all of that. But in general, we are able to pass on most of it through, driving it through the system.

On the welding business front – sorry, I’m just going to look at the notes, what else is missing on the welding business front. The CapEx, the capital equipment and automation front, there is continuous scope improvement, as we said, there is an upward tick on the CapEx cycle right now. So, there was a question regarding where automation and all of that keep coming, it is very much a focus area. There is scope of growth on that. And we are seeing auto conversion and all of that taking place a little bit better.

Exports is going to be a very critical part going forward. There is a shift globally in terms of the gaps in steel prices, in us and other countries. There is also a much greater acceptance for Make in India product. And we are putting a lot of the investment in people, investment in resources, all of that, towards growing the export business. I feel exponential growth is possible over there and we are trying to work towards that going ahead.

There were questions related to CapEx. The CapEx figure that we’ve identified has two-three mixes to it. There is a standard CapEx which is approximately 40% to 50% over the numbers we’ve provided in the balance sheet. Which is, the regular maintenance stuff that we’re going to do, adding new lines, replacement of old lines, putting in stuffs of technologies and all of that. That comes in. The second part in the CapEx, I feel, is related to the manufacturing, wheel taking operation, just undergoing evaluation, and it will be over two, three years. So, I expect that we have got approximately 100% confidence level on the first part, the first 50%. And the next part we’re still going through many changes, and through the course of the next three, four months, and probably the next analyst meeting, if you do go see HY1 results, we’ll be in a clearer position in that regard. I don’t expect it to move the needle too much compared to the figure that we provided already in the balance sheet.

Kuwait status is that it’s following due process as far as the local laws in Kuwait are concerned. We hope that the local laws will definitely favor us for whatever receivable is due to us. We expect the timeline is going to take about 12 to 15, 12 to 18 months from now, and hopefully that recovery will happen. We are following the legal process and we’ve put lawyers in place and all of that.

On the flares and process equipment division, we are definitely seeing a turnaround. I talked about this in the past and again, it was restructuring of the product line. I think there was a question if we are going into flares. Actually, that’s not correct. We were always in flares. We had gone into different product roots and more to do with execution of large projects where there was limited engineering. And in flares there is a lot of significant engineering, so, we’re going back to that. We changed our team. I have a lot more confidence in the new team, and stuff like that, their capability whether it’s from design or engineering or any of those aspects together. And going forward, we definitely believe that this division has tremendous potential.

The order that we got is a very interesting order. It pushes the needle in terms of our engineering capability. It puts us into a different PTR level in India and the flares that we’re trying to do are

of a much higher technology. So, I expect that to be very interesting for us going forward. The margin level will keep improving. I think there was a shareholder who mentioned that single-digit level, do you expect a single-digit level to happen. I think it's beyond the single-digit level for sure, that's why we are in the business, that's why we're exposing ourselves in the working capital front and all of that, but beyond a single-digit level for sure. So, that will happen in time. But the turnaround is more or less done as far as any write-offs are concerned or anything like that. Team is very buoyant. And we've got a very healthy order book. And we will continue to bid for more and more projects as we see fit, with the idea that we must execute correctly. But there is a [inaudible 89.59], again, cycle of flare ordering requirement, replacing old flares, all of that that's going to happen. So, we're going to keep taking all those orders strategically.

On the merger, as Ninotchka said, I don't think anything is going to change in terms of the swap ratio or anything like that, nothing is going to change drastically over there. The merger does have tremendous benefits which we discussed in the Analyst Meet also. And it's not only about cost, it's also about value, there's distribution that comes into play, there's cross-customer selling that comes into play, there's international sales contact range of products that comes in. There are lot of benefits that we see going forward. And we are going to keep pushing that within the timeline as Ninotchka mentioned will take 12 months or so, up or down. And we look forward to successfully making that happen.

Competitors, yes, so, on the welding business there was a question who all are our competitors. ESAB is one of the competitors who is in the public market space. There are others as well. There are local players like GE, all of them who come in. There are international players like, [inaudible 91.11]. So, India is pretty much what most of the competitors [inaudible 91.16]. It's very easy to compare with ESAB because it suits the public market's comparison to do that, but we actually compete with many competitors all the time. ESAB is, I am not in a position to comment on ESAB and I don't like to comment on another company. I can only comment on ourselves.

So, the first thing is, yes, there was a request by shareholders why are we one fifth the market gap? Actually, the gap is narrow and step by step there is so forth tremendous improvement over there. I'm not going to comment on ESAB's valuation. I can say that, as we keep doing this turnaround, division by division, whether it's a flare's division, whether it's a welding business, whether it's the margin in the welding business on consumerables, whether it's the export business, step by step our ambition is towards tremendous shareholder growth, value accreditation as we move forward and back. And we will keep pushing on that.

ESAB's product mix, as we discussed the last Analyst Meet, it's not as – I think it was spoken about in the past maybe two, three years ago, that there's a lot of product mix differential and that is what is leading to all of this. I tend to disagree with that and I mentioned this in earlier meetings also. There is a slight product mix differential, it doesn't account to the difference that is there in

the results. And there is also certain areas where they are doing engineering services and stuff like that for their own global requirements which we are not in a position to do. So, that adds its own value. That's separate. But as far as the product mix is concerned, I don't think it's a very big gap. I think it's 10%-15% overall, and it's about value selling and up selling and doing simple things a little better and we will see a benefit. Also, the manufacturing [inaudible 92.51] that we talked about, I think we will definitely see – we should think about two or three years to get done, the entire exercise. That will also help in terms of the margin benefits. So, I'm not too stressed about the product difference that happens in that regard.

Impact of rupee on the business. Impact of rupee on the business is, I mean, if you are a net exporter it's quite beneficial. We don't have that much imports. In fact, we are seeing a lot more, make in India preference that is happening. In fact, a lot of our CapEx is driven by replacement of imports. And the rupee benefit should be quite good. Our exports will keep growing. As I said, that's a big focus area for us. So, as an exporter that benefits us going ahead.

I cannot comment right now – there's a question about how many plants are going to be [inaudible 93.46] – that process is still under discussion not only operational level, but also the Board level. So, as and when the time is right, we will definitely come back to you on that.

Impact of anti-China, as I said, we don't like to comment on any other country or anything like that. There is definitely a benefit to a Make in India product that we are seeing, but that requires a lot more approval work, a lot more business development work, a lot more marketing in the right direction. So, it's step by step, it will come. The enquiry base is growing, but that doesn't always lead to conversion. So, step by step we are doing it and then we will get there, surely.

So, the question on property monetization, we do not have a plan on property monetization. Looking at it on each case basis, based on the manufacturing region, based on the resource region that is required on sales or anything like that. We had sold last year, approximately INR24 crore worth of property. And I think they basically accounted for two or three properties that we sold, right?

Vinayak Bhide

Yes. Majorly [inaudible 94.54].

Aditya Malkani

Majorly, another plant that we don't require anymore. And we'll keep doing small pockets of this as we see fit at the right time.

Ninotchka Malkani Nagpal

So, it won't be very large.

Aditya Malkani

Nothing very, yes, nothing very... Working capital will keep improving, especially on the welding business front. There is scope for little more improvement. On FPD, there will definitely be scope of improvement, [inaudible 95.21] that we had on account of COVID and other projects and all of that. It will improve. There will be a slight working capital exposure on account of rural projects

which will stretch over 24 months, but we've calculated that the net exposure at its max level is still a very manageable number.

So, the good part in this project – sorry, there is one question a shareholder asked, I think it's Ms. Bhatia again. It's a very important question, is, what is different this time versus last year. And the difference is two or three key points. The first is, this is an engineered flare which is our core capability being done in a market in which we are already one of the two or three largest players in flares. Second thing is, in Kuwait we were doing more of a construction related job with limited engineering. So, it's very different. The only thing that's comparable actually between these two things is the size of the value of the order. But in terms of the engineering deliverables, in terms of the working capital exposure, in terms of the structure of the contract, in terms of the margins, all of that is much better structured right now at the moment. I will not comment on the margin specifically, but I will say that it is in the region of upward – we would expect a business of this size to have working on projects and stuffs like that.

So, I think the other thing we are doing is, the Board is, obviously having learnt a lot from Kuwait, that doesn't mean we should stop ourselves going forward. So, the Board will obviously play a very supervisory role in this as well. We have spent a lot of time and effort cracking everything and I have a great deal of confidence in the team that they will be able to execute this not only as per budget but probably even better than that.

I hope I've covered everything. I don't know if I've missed anything. The volumes for the consumerable business, we last year would have done, I think, 45,000 tons or so approximately. 50,000 or 30,000 tons of consumerables last year. We will grow that number going forward. And equipment's, we had done approximately 10,000 to 12,000 units, that also given the CapEx cycle that is ongoing, we should be in a position to grow that as well.

Capacity utilization, it varies from product line to product line. It stretches anywhere from 45% to 50% all the way to 90% to 95% depending on the product line. Some of it would go in excess of that. We've done that in the Analyst Meet also.

I think we've covered everything that was there.

Ninotchka Malkani Nagpal

Have we covered R&D?

Aditya Malkani

R&D expenditure is driven on two or three fronts. R&D is not extensive research. Primarily, it's basically two or three things. One is, import substitution, products that need to be developed internally to be able to meet that requirement. Second is, what is changing in steel requirements and that needs to be met with how we improve impact, how we improve all these different factors that give better product. And the last part is cost or something like that or a process improvement and all of that. I expect the R&D expenditure to be fairly in line, maybe a variation of 20%-25% over the last few years.

Ninotchka Malkani Nagpal

Anything else?

Aditya Malkani

I hope we've covered everything. And...

Ninotchka Malkani Nagpal

I mean, if there is anything else you can always reach Mr. Bhide offline and we'll be happy to answer any questions that you may have.

Aditya Malkani

Sorry, one second, I am just seeing this last here. I think we've covered.

Ninotchka Malkani Nagpal

Yes?

Aditya Malkani

Yes, okay. Alright.

Ninotchka Malkani Nagpal

Okay. So, thank you everyone for all your suggestions, comments, and good wishes. All the items of the business are included in the notice of the AGM which have already been e-voted or being e-voted right now. I now declare the proceedings of the Annual General Meeting as completed.

As mentioned in the AGM notice, the e-voting facility will continue to be available for 15 minutes after the conclusion of this meeting. Further, Mr. Bhide, the company secretary will declare the results of the e-voting and place the results on the website of the company and inform the same to the stock exchanges and NSDL at the earliest.

The resolutions in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes. So, with this, on behalf of the Board of Directors and the Management of Ador Welding Limited, I thank you all for attending and being here today. Just please stay healthy and take care of yourselves and see you soon. Thank you.

Aditya Malkani

Thank you.