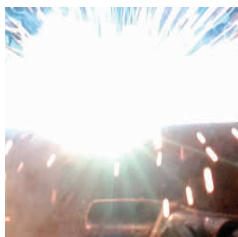
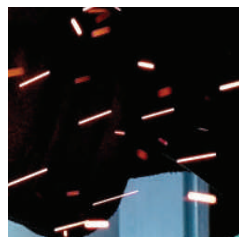
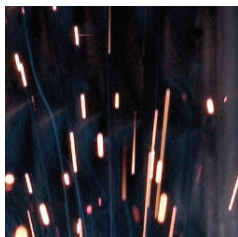
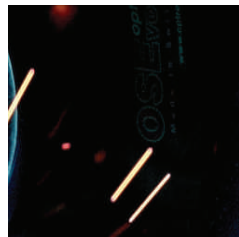
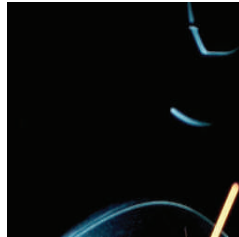
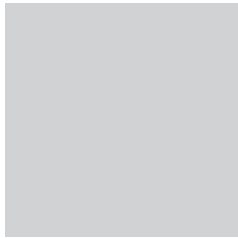




ADOR WELDING LIMITED



WELDERS TO THE NATION SINCE 1951



ADOR WELDING LIMITED

REGISTERED OFFICE

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Tel. : (022) 2284 2525, 6623 9300 / 35
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E-mail: investorservices@adorians.com
cmo@adorians.com

P L A N T S

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EQUIPMENT & PROJECT ENGINEERING

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Pune - 411 019.
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Tel: (020) 4070 6000
Fax: (020) 4070 6001
Email: chinchwad.plant@adorians.com



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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

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

Executive Management Team:

Mr. S. M. Bhat

Mr. G. Banerjee

Mr. V. M. Bhide

Mr. S. S. Bhoi

Mr. L. Sundar

Mr. S. M. Hede

Mr. R. Nath

Mr. A. R. Vilekar

Mr. Manoj Pandey

Company Secretary:

Mr. V. M. Bhide

Registered 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

Corporate Identity Number:

L70100MH1951PLC008647

Email ID:

investorservices@adorians.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,

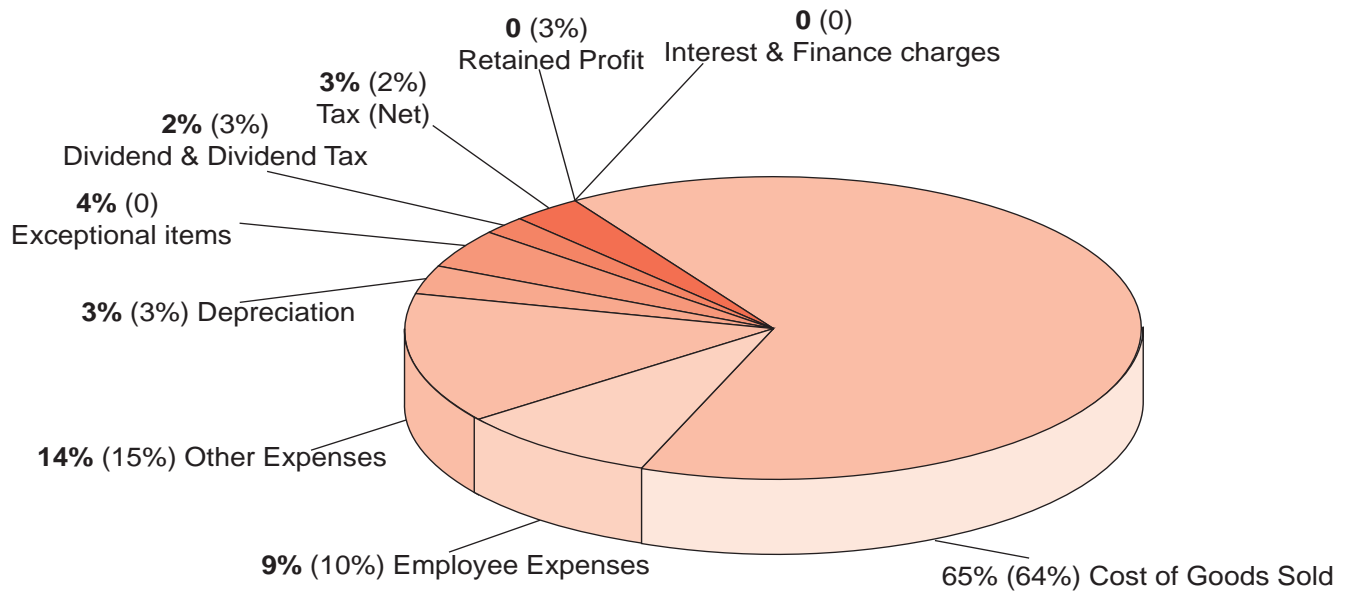
Luthra Industrial Premises,
Andheri Kurla Road,
Safed Pool, Andheri (East),
Mumbai - 400 072,
Maharashtra, INDIA.

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

Fax: (022) 2851 2885

Web: www.sharexindia.com

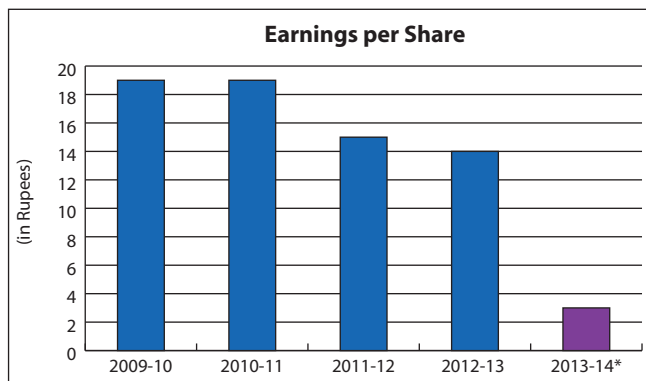
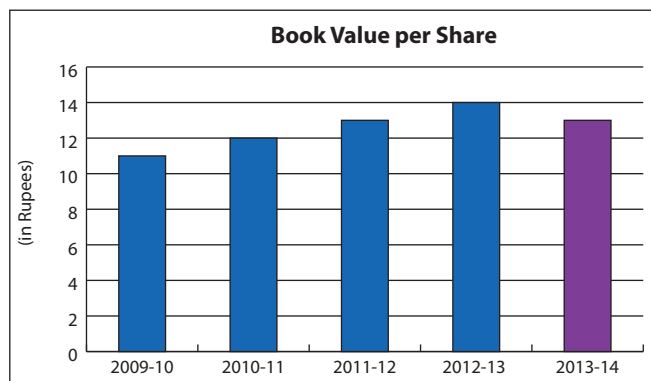
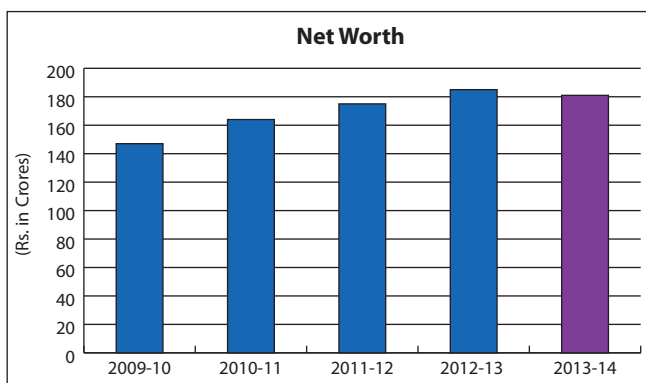
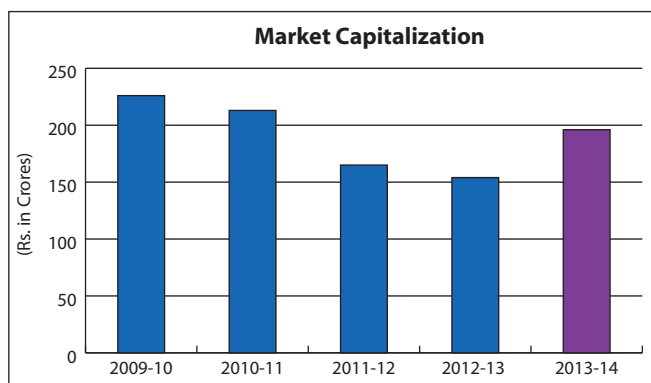
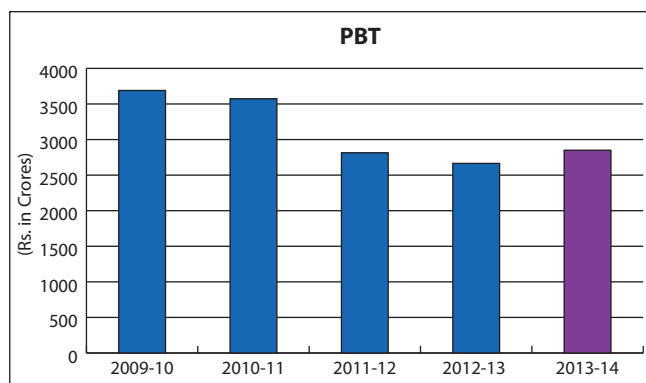
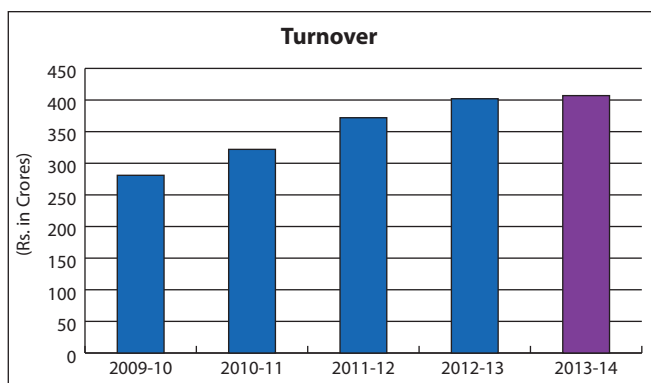
DISTRIBUTION OF REVENUE



(Figures in bracket indicate Previous year)



FINANCIAL STATISTICS



* Note: After adjustment of Exceptional Items

FIVE YEAR FINANCIAL HIGHLIGHTS

(Rupees in lacs)

PROFIT & LOSS ACCOUNT	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
Sales & Other Income	37,341	36,779	34,442	29,741	26,537
Manufacturing & Other Expenses	33,146	32,799	30,298	24,851	21,479
Operating Profit / EBITDA	4,195	3,980	4,144	4,890	5,058
Depreciation	1,203	1,234	1,245	1,263	1,311
EBIT	2,992	2,746	2,900	3,627	3,746
Interest	142	81	88	55	57
Profit before Tax (PBT)	2,850	2,665	2,812	3,572	3,690
Exceptional Items (Net)	1,478				
Taxation	949	757	723	1,002	1,056
Profit after Tax (PAT)	423	1,908	2,089	2,569	2,634
Dividend (incl. DDT)	796	948	948	951	951
BALANCE SHEET					
Net Fixed Assets (incl. CWIP)	7,704	8,152	7,899	7,986	8,225
Investments	1,385	3,266	3,627	2,568	1,107
Current Assets	18,689	14,053	11,776	10,486	9,190
Current Liabilities	9,469	6,793	5,609	4,515	3,682
Net Current Assets	9,220	7,260	6,167	5,971	5,508
Capital Employed	18,309	18,678	17,693	16,525	14,841
Equity Share Capital	1,360	1,360	1,360	1,360	1,360
Reserves & Surplus	16,730	17,103	16,149	15,005	13,388
Net Worth	18,090	18,463	17,509	16,365	14,748
Loan Funds	77	171	128	94	-
Deferred Tax Liabilities	50	44	56	65	94
Long-term provisions	92				
Capital Employed	18,309	18,678	17,693	16,525	14,841
RATIOS					
EBITDA Margin (%)	11.23%	10.82%	12.03%	16.44%	19.06%
Net Margin* (%)	1.13%	5.19%	6.07%	8.64%	9.92%
Interest Cover (EBITDA / Gross Interest)	30	49	47	88	89
ROCE (EBIT / Capital Employed) (%)	16.34%	14.70%	16.39%	21.95%	25.24%
Current Ratio (times)	1.97	2.07	2.10	2.32	2.50
Debt Equity Ratio (times)	0.00	0.01	0.01	0.01	0.00
Dividend Per Share (DPS) (Rs.)	5.00	6.00	6.00	6.00	6.00
Earning Per Share (EPS) (Rs.)	3.11	14.03	15.36	18.89	18.82
Book Value per share (Rs.)	133.01	135.76	128.75	120.33	108.44

* Note: After adjustment of Exceptional Items



WELDING EQUIPMENTS NEW PRODUCT DEVELOPMENTS

1) THYROTIG 400

It is a Thyristor based heavy duty MMA/DC TIG Welding rectifier, suitable for Heavy duty shop floor and project site welding applications. Apart from built in HF ignition feature, following are the salient features of this rectifier:

- Step less current control
- Ideal constant current drooping characteristics
- Smooth and stable arc with minimum spatters
- Welder friendly Remote controller for easy and convenient setting of current from the workplace or the job
- Gas preflow / postflow facility
- Current upslope / downslope facility in TIG mode
- HF ON/OFF selection to prevent high frequency interference
- Auto HF cut-off if Arc does not strike within 10 seconds
- Gas flow through solenoid valve for economical consumption of costly Argon Gas
- Gas cooled / Water cooled Torch Selection facility

It has following protections with auto reset capability:

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



2) CHAMPCUT 10

This is world class IGBT inverter based single phase air plasma cutting outfit suitable for light duty cutting applications.

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

- Light weight, Compact size
- Inbuilt Air Compressor
- Micro controller based control card
- No HF system, which may damage or interfere with electronics
- Post flow cooling provides torch cooling after the cut for longer torch life
- Safety device signal provided on front panel for
 - o Pilot arc ON
 - o Low air pressure
 - o Thermal failure
 - o Mains voltage higher or lower than limit.
 - o Torch maintenance

It has following protections with auto reset capability:

- Under voltage / Over voltage protection.
- Thermal protection.
- Low air pressure



3) CHAMP MIG 400 CC/CV and CHAMP MIG 600 CC/CV

This is new high efficient and high power factor IGBT based Multi process welding outfit, suitable for continuous wire welding applications with various types of material and active & inert gases as well as for all types of electrode welding. CHAMP MIG 600 CC/CV can also be used for Gouging operation.

The complete system consists of power source, wire feeder and MIG torch and interconnecting cables. This outfit has option of water cooling unit with water cooled torch for continuous heavy duty application.

These power sources have following salient features:

- Suitable for all types of electrodes welding including Cellulosic type
- Long distance welding is possible due to high OCV
- Digital Panel for adjusting the welding parameters
- 2T, 4T operating modes in GMAW mode
- Crater voltage and Crater current adjustment through digital panel in GMAW mode
- Unique feature of Fresh Tip transfer (FTT) to avoid globule formation in GMAW mode
- Automatic "Weld Stop" facility in GMAW mode.



4) CHAMP 1200 - GOUGE MASTER

This is a new world class indigenous inverter based DC welder having High Current (1200A) gouging capability suitable for gouging application.

Apart from high energy efficient feature, following are the salient features of this rectifier:

- Long distance welding and gouging capability
- Optional remote controller interface is available for current adjustment
- Suitable for normal Electrode Welding as well as gouging at high currents.

It has following protections with auto reset capability:

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





5) CHAMPMULTI 600

This is Inverter based multi process welding outfit suitable for GMAW, SMAW and GTAW applications. It has single point synergic control available in GMAW mode and also having high OCV in MMA mode which is suitable for long distance and gouging application. The complete system consists of Power Source, wire feeder, torch and inter connecting cables and control cables between wire feeder and power source. This outfit has option of water cooling unit with water cooled torch for continuous heavy duty application. Apart from energy efficient feature, following are the salient features of this outfit:

- High efficiency (>85%)
- Single point Synergic Control in GMAW
- User friendly Digital Front Panel and Analog Remote Controller
- Auto "Weld Stop" when welding torch is taken away from work place
- 2T, 4T, SPOT & Multi Spot operating modes in MIG Mode and 2T, 4T mode in SSPW mode
- Electronic choke adjustment in GMAW process and Arc force adjustment in MMA process for better arc control
- Crater voltage and Crater current adjustment through digital panel.
- Unique feature of Fresh Tip transfer (FTT) to avoid globule formation
- Built in VRD (Voltage Reducing Device) unit (Optional)
- If machine goes in protection mode then Error codes are displayed for easy trouble shooting.

It has following protections with auto reset capability:

- Over Temperature
- Protection against Single phasing
- Input Supply Voltage protections for over & under voltage
- Output short circuit.



GAS CUTTING EQUIPMENTS NEW PRODUCT DEVELOPMENTS

1) PORTABLE GAS CUTTING MACHINE KING PANTHER - IM (2 SEAT TYPE)

Features & Specifications:

- Unique design with louvers for ventilation which reduces overheating of motor and electrical parts
- Unbreakable, smooth and precise horizontal and vertical adjustment of torch with rack & pinion
- Bevel setting with locking facility ensures bevel accuracy during long cutting operation
- Heat reflector with air gap, which protects the motor and other electrical parts from overheating
- Non-metallic moulded lifting handle, hence machine can be lifted easily even if it is hot
- Travels on standard 1.8 meter long extruded Aluminium rail track
- Versatile light weight and rugged machine designed for long, trouble free operation
- Cutting Capacity: up to 100 mm thick Plate.



2) MANUAL GAS CUTTING TORCH KING TORCH - IM (2 SEAT TYPE)

Features:

- King Cutting Torch is available with nozzle for use with Acetylene as fuel gas and nozzle for use with LPG as fuel gas.
- Wider range of operation: King Torch can be employed for a wide range of cutting jobs. All you need is to change the nozzle to suit the job.
- Easy maintenance: All the metal design makes KING TORCH a rugged torch that can withstand rough handling by shop floor workers

Specifications:

- Maximum cutting thickness: 300 mm
- Length of torch: 500 mm
- Weight of torch: 1.62 kg
- Manufactured as per IS: 7653 – 1975



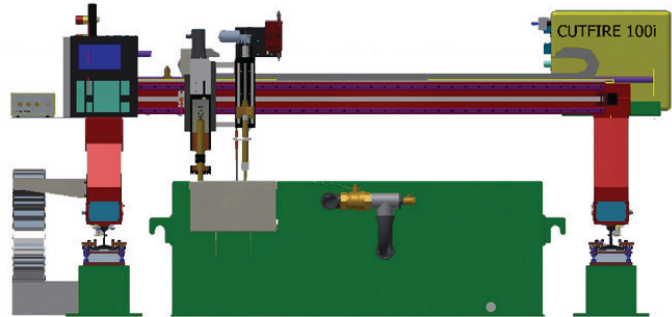


3) CNC CUTTING MACHINE

KING CUT PRO 2000 X 4000 : GANTRY TYPE CNC OXY AND PLASMA PROFILE CUTTING MACHINE

Machine mainly consists of:

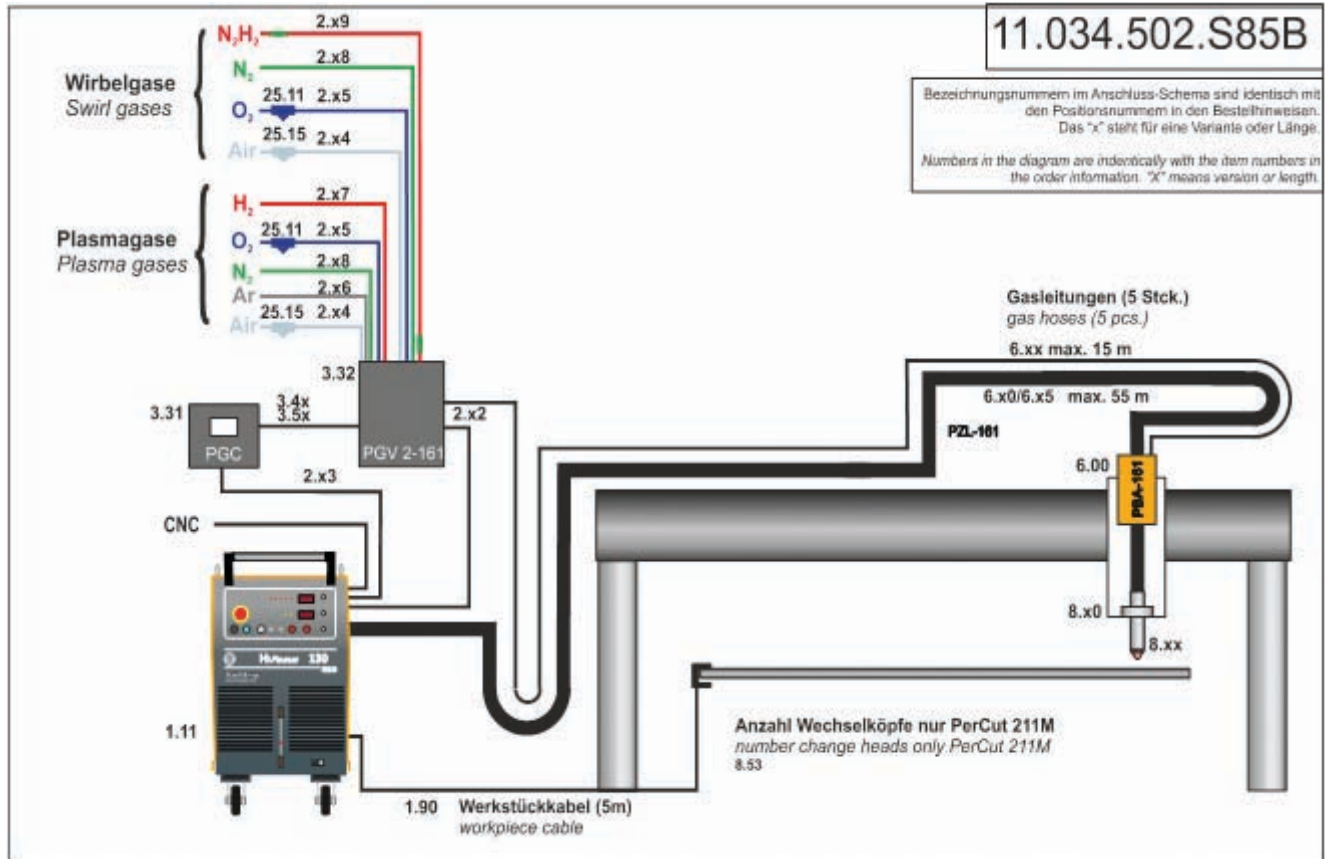
- a. Gantry type, dual side rack & pinion system
- b. Double side longitudinal drive systems via high dynamic AC motors
- c. Transverse drive system with motorized carriage via precision rack/pinion, high dynamic AC motor
- d. Limit switch units, reference switches and safety protection switches for the machine track
- e. Electrical system for drive/valve control installed in dust-tight cabinets
- f. AC-drive system with double side longitudinal drive via rack and motorized transverse carriage via rack process speed up to 15,000 mm/min
- g. Energy supply by a mounted cable/hose drag chain in longitudinal direction
- h. Track for drives with rack and pinion in longitudinal direction
- i. X-axis positioning accuracy : $\pm 0.3\text{mm}/10\text{m}$
- j. Y-axis positioning accuracy : $\pm 0.3 \text{ mm}/10\text{m}$
- k. Repetitive accuracy : $\pm 0.2\text{mm}/10\text{m}$
- l. Diagonal accuracy : $\pm 0.5\text{mm}/10\text{m} \times 4\text{m}$ Ambient condition
- m. Temperature : $0^\circ \sim + 45^\circ \text{ C}$
- n. Relative Humidity : $< 95\%$
- o. Dust protection IP54
- p. Water Table 1500X1500 mm
- q. CNC Controller: Burny Phantom



Technical Specifications

Track width	2000 mm (appx.)
Effective cutting width	1500 mm (appx.)
Track Length	4000 mm
Effective cutting length	3000 mm
Connection Voltage	230V +/-10% 1phase (For M/c)
Frequency	50Hz +/- 2%
Power Consumption for CNC machine	Approx 3 KVA (for M/c)
Max. Positioning speed	15,000 mm/min
CNC controller	BURNY Phantom
Operating Panel	Left Side

Precision Plasma Power Source



Plasma Cutting System HiFocus 130 Neo

- Plasma cutting of all electrically conductive materials between 0.5 and 40 mm material thickness
- Recommended cutting range from 0.5 up to 32 mm material thickness
- Maximum piercing 25 mm
- Cutting and marking without change of plasma torch and consumables, by using the plasma gas control unit Flow Control, also on coated materials
- Cost-saving alternative to laser cutting with less than one fourth of the investment and operating costs
- CNC-controlled cutting with machine torch and optional use of oxygen, nitrogen or argon/hydrogen as plasma gas
- CNC interface for all kinds of 2D and 3D CNC guiding systems
- Contour Cut guarantees high repeatability and dimension accuracy of the parts
- High lifetime of consumables due to dual gas ignition and nozzle saving piercing with swirl gas technology





Power Source HiFocus 130 Neo

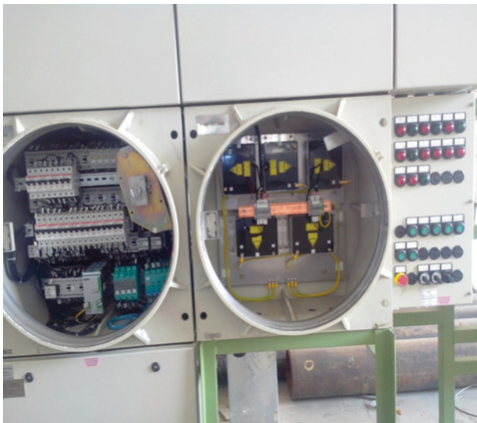
- Optimum process flow due to microprocessor control
- Monitoring of the process sequences (torch cooling, ignition time, pilot arc time, short circuit time during torch ignition, power source etc.)
- Display of operating modes and error message by LED and display
- Extensive interface for adaption to CNC-control
- Serial data transfer to PC for diagnostic purposes
- Stepless cutting current setting from 20 to 130 A
- Optimum piercing by stepless time delay for main arc and adjustable upslope in 4 steps
- Adjustable down-slope at corner, start and end signals of the guiding system
- Digital display of current and voltage
- Automatic display of pre-selected cutting current
- Marking current 16 A

PROJECT ENGINEERING BUSINESS NEW PRODUCT DEVELOPMENTS

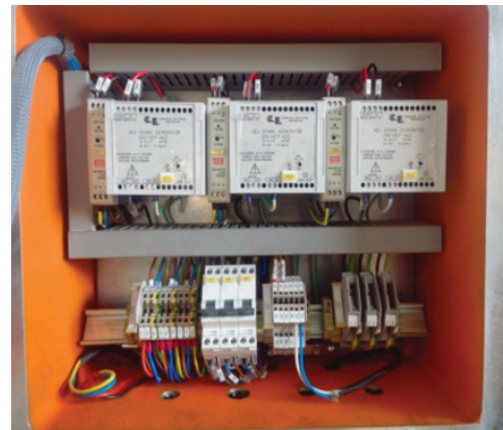
I - Implementation of CDI Unit for HE-IGN in flare system

CDI (capacitive discharge Ignition unit) i.e. Low voltage high energy system for HE-IGN system. Using this unit 230 VAC is used to generate 2000VDC in Flare Igniters Assly against our earlier Design of HE-IGN was with 230 VAC generating 10,000VAC for spark ignition for HEI using Transformer

Photo of Earlier Design of HE-IGN using 10 K VAC O/P Transformer Photo of New Design of CDI Unit, Size is ½



Old design of HE-IGN with Transformer



New design of CDI Unit, size less than 50%

Advantages :

1. High Energy Low Voltage Ignition as desired by PDO/International specification for various projects.
2. Impulsive DC voltage generation on igniter-cable.
3. Digital Pulse output with Pulse per second Range setting availability.
4. Better Spark Intensity than transformer.
5. Less in size thus small
6. One CDI UNIT capable of igniting two pilots at a time where as one transformer permits to ignite only one pilot at a time.
7. It takes 12-14 weeks to receive CDI UNIT at our end against 20 weeks
8. Requires one day for installation and testing against earlier of 7-10 days



II - Optimizing the Control System using Micro-PLC

A Programmable Logic Controller or PLC is used for Automation of Electromechanical processes in our Flare System with minimum number of inputs and outputs is called Micro-PLC against our earlier design of RELAY BASED LOGIC, photo comparison



Photo of Relay Based Logic



Photo of Micro PLC Based Logic
Reduced 40% in size & components

Advantages :

1. Reduces the Hardware Wiring
2. System can be made compact as the size of Panel reduces which directly Reduces the COST and TIME.
3. Easy for Trouble Shooting, Reduces the Maintenance cost.
4. Above Size of micro-PLC is capable of providing Soft logic for Manual as well as Auto re-ignition for flare system consists of 12 pilots.
5. Whereas hardware cost earlier required was more than double to that of Micro-PLC.
6. This CPU with I/O Modules provides more complex interlocks in a simplified PLC Programming. Whereas in relay type lot of Hard wired relays, timers required to achieve the same.

WELDING AUTOMATION PRODUCTS & SYSTEMS (WAPS) NEW PRODUCT DEVELOPMENTS

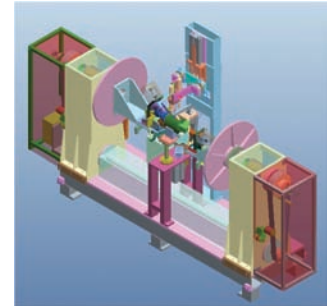
1. DOUBLE END DRIVE

Useful for - Automotive Industry

Application - Four wheeler and two wheeler Exhaust Manufacturer.

Advantages -

1. Consistent welding
2. Good welding quality
3. Higher productivity
4. Many similar kind of jobs can be welded in single Machine by changing different set up of fixtures / tooling.



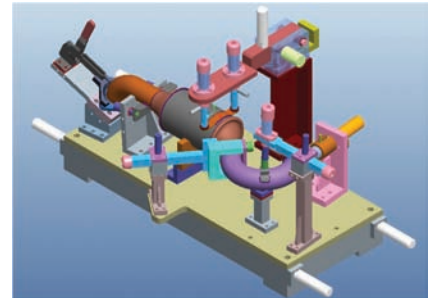
2. CHECKING GAUGE

Useful for - Automotive Industry

Application - After welding of different child parts, welded component will be checked, in Checking Gauge to ensure correct position of child parts.

Advantage -

Component can get easily assembled to further connecting part.



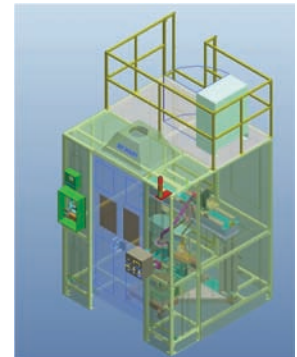
3. ROBOTIC CELL

Useful for - Automotive as well as non automotive Industry

Application - Welding of very complicated Joints.

Advantages -

1. Consistent welding
2. Good welding quality
3. Higher productivity
4. Many types of jobs can be welded in single Machine with different set up of fixtures / tooling.
5. Complicated profile can be welded with higher welding speed
6. Welding with less spatter.



4. TORCH ROTATRY

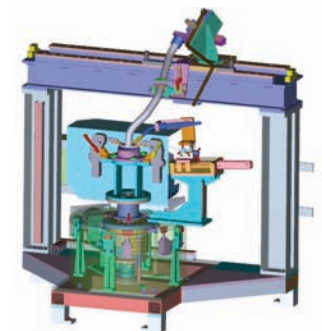
Useful for - Mostly to Automotive Industry

Application - Exhaust System Manufacturer for Pipe to flange welding.

Construction of Machine - In this construction of Machine, Torch rotates and component is stationary.

Advantages -

1. Consistent welding
2. Good welding quality
3. Higher productivity
4. Many type of jobs can be welded in single Machine with different set up of fixtures / tooling.





WELDING CONSUMABLES NEW PRODUCT DEVELOPMENTS

SMAW ELECTRODES

1. Superinox 2AH

AWS classification: AWS A/SFA 5.4 E316H-16

A 19/12 Mo type SS electrode with excellent welding properties with controlled ferrite content of 4 to 8 % for maximum resistance to cracking, corrosion and high temperatures. Used for welding of AISI types 316-N, 316 and 317 etc. For welding materials having higher tensile and creep strengths at elevated temperatures. Useful for welding of equipments in chemical, paper & pulp, paint & dye industries.

2. Betanox LF

AWS classification: AWS A/SFA 5.4 E316L-16

An extra low carbon with lowest possible ferrite contents in the range of 0 to 0.3%, 18/14/Mo type SS electrode with welders friendly and appealing performance. Used for welding AISI 316/316L/317L types of stainless steels. Specially designed for urea reactors and chemical industries.

3. Betanox 20/30 LR

AWS classification: AWS A/SFA 5.4 E320 LR-15

A basic coated specially designed electrode with 20Cr/30Ni LR type of weld deposit. Excellent corrosion resistance in continuous service up to 1200°C. Due to its LR characteristic the weld metal reduces the fissuring frequently encountered in fully austenitic SS weld metal while maintaining the corrosion resistance. Used for Alloy 20, HV-9A etc. type of steels and also repair of castings of similar composition.

4. Nicalloy Mo 10

AWS classification: AWS A/SFA 5.11 ENiCrMo-10

A basic type electrode with good welding characteristic. The weld is of 322 type with good resistance to corrosion against acetic acid, acetic hydride, hot contaminated sulphuric and phosphoric acids. Suitable for joining materials of the same nature. e.g. material no.2.4602 NiCr21Mo14W; These materials with low alloyed used for welding components in plants for chemical processes with highly corrosive media.

5. Nicalloy Mo12

AWS classification: AWS A/SFA 5.11 ENiCrMo-12

A basic coated electrode for the smooth welding of high Mo Nickel base alloys as well as Cr-Ni-Mo steels with high Mo content specially recommended for high temperature and creep resisting steels. Also reduces carbon diffusion at high temperature suitable for welding of Cr-Ni-Mo austenitic steel to duplex SS steels and 9% Ni steel for cryogenic applications, joining of A240, A107, A182, A249, A276, A312, A358, A473 etc. type of steels.

6. Nicalloy 230

AWS classification: AWS A/SFA 5.11 ENiCrWMo-1

Specially designed non synthetic type electrode for high strength, thermal stability, oxidation resistance, thermal cycling resistance and fabricability of any major high temperature alloys which are used generally in flat position only. Used for welding Ni-Cr-W-Mo lanthanum based alloys like ASTM B366, B435, B564 and B572. Also used in the fabrication of gas turbine combustors, petrochemical processing industry and fossil energy plants. Works smoothly without any problem.

7. Superinox 1AS

AWS classification: AWS A/SFA 5.4 E308-26

Rutile-basic type fully synthetic heavy coated electrode of 19Cr/10Ni type weld deposit with EQMS quality MS Core wire. Weld deposits are very smooth with fine ripples with self detachable slag. Gives radiographic quality with excellent creep strength. Used specially in down hand and horizontal position due to its heavy coating for surfacing or cladding applications in all industries e.g. sugar, cement, fertilizer & chemical plants etc.

FCAW WIRES**1. Automig FC 249A**

Specially designed for welding of new and repairing of new / existing plates of Navy grade DMR 249A steel. Also used for welding of 2.5 Ni steels in refineries, power plants. Weld metal is of X-ray quality and meets impact requirement at minus 50°C.

2. Automig MC 80C Ni1MH4

AWS classification: AWS A/SFA 5.28 E80CNIMH4

Tubular Ni alloyed metal cored wire for single or multipass welding of carbon, C-Mn and high strength steels. Good weldability, excellent bead shape exceptional mechanical properties at low temperature up to minus 50°C. Used for high quality welds, high strength welds at offshore structures, Bridges and Ship building etc.

TIG / MIG WIRES**1. Tigfil Cu-Ni**

AWS classification: AWS A/SFA 5.7 ER CuNi

Alloy with resistance to corrosion and attack by sea water. Good working features give tough and porosity free weld metal. Used for welded joints and surfacing welds on Cu-Ni alloys up to 30% Ni, in ship building, chemical industry e.g. Vessels, Condenser Tubes etc.

2. Miginox 316L Si

AWS classification: AWS A/SFA 5.9 ER 316L Si

GMAW wire of ER 316L Si type for good welding characteristics with reliable corrosion resistance up to 400°C. Used for joining & surfacing application with matching and similar austenitic grades of steels & cast steel grades.



DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the **Sixty First Annual Report** of the Company and the Audited Statement of Accounts for the year ended 31st March, 2014.

1.0 Financial Performance

(Rupees in Crore)

Sr. No.	Key Financial Indicators	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		Standalone		Consolidated	
1.1	Sales & other Income (Net of Excise Duty, Discounts & Incentives)	373	368	376	369
1.2	Profit before Interest and Depreciation	42	40	32	38
1.3	Profit before Tax (PBT)	29	27	17	25
1.4	Exceptional Items	15	-	13	-
1.5	Provision for Tax (Net of deferred tax)	10	8	9	8
1.6	Profit after Tax (PAT)	4	19	(5)	17

2.0 Dividend and Reserves

2.1 The Board of Directors is pleased to recommend a Dividend of 50% (i.e. @ Rs.5/- per Equity Share) for the financial year (FY) 2013-14, subject to the approval of the Members. Dividend for the previous FY 2012-13 was declared @ 60% (i.e. @ Rs.6/- per Equity Share).

2.2 The Dividend for the FY 2013-14 shall be paid to those Shareholders and Beneficial Owners whose names appear in the Register of Members as on the date of the Book Closure for Dividend payment.

2.3 The Board recommends transfer of Rs. 0.42 Crore (Rs. 2 Crore)* to the General Reserve, and the balance of Rs.33 Crore (Rs. 37 Crore)* for retention in the Profit & Loss Account.

(*Figures in brackets indicate previous year).

3.0 Operations (Standalone)

In the financial year 2013-14, the total operational & other income stood at Rs.373 Crore, as against Rs.368 Crore for the FY 2012-13, showing a marginal rise of 1%, with the achievement of highest ever

billing of Rs. 373 Crore during the FY 2013-14.

The Company's Sales and other Income during the FY 2013-14 comprised of the following:

3.1 Welding Consumables : Rs.276 Crore (Rs. 282 Crore)*

Due to major curb in the welding industry, and the decade's low figure of GDP at 4.50%, unfavourable economic conditions, Domestic Sales of Consumables recorded a de-growth of over 2% compared to the previous year. However volume grew by 3% during the year.

3.2 Equipment & Project Engineering at Rs.93 Crore (Rs. 82 Crore)*

Inspite of Capital goods Industry witnessing slump, Equipment business grew by about 14% over last year. Further the volume in Welding Equipment business was higher by over 71% compared to the previous year.

3.3 Other Income at Rs.4 Crore (Rs. 4 Crore)* (*Figures in brackets indicate previous year).

ADOR WELDING LIMITED

4.0 CAPEX

During the FY 2013-14, we completed CAPEX of Rs. 9 Crore and Rs. 2 Crore is in various stages of progress. The budgeted CAPEX for the FY 2014-15 is about Rs. 14 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.

5.0 Subsidiary Companies

5.1 Ador Welding Academy Pvt. Ltd. (AWAPL)

AWAPL was incorporated on 24th July 2012 as a wholly owned subsidiary of the Company for vocational training in welding and also for consultancy in Welding. AWAPL registered a Total Revenue of Rs. 77 Lacs (Previous period Rs. 31 Lacs), with net loss of Rs. 68 Lacs (Previous period Rs. 33 Lacs). The Company is persevering efforts to tap large potential business in Pre-Service Training & In-Service Training. The launch of the E-Learning module should also garner additional revenues. The focus of the Government on National Skill Development will also help in increasing its revenue.

5.2 Plasma Laser Technologies Ltd. (PLT)

PLT has generated revenues of Rs. 224 Lacs (Previous period Rs. 78 Lacs) and has incurred a Net Loss of Rs. 1,054 Lacs (Previous period Rs. 187 Lacs). In view of accumulated losses exceeding networth and considering the underlying factors including downturn in business and decrease in related activities, the Company has recognised provision for diminution in the value of Investments in PLT as on 31st March 2014 amounting to Rs 1,981 Lacs.

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 continue to be subsidiary Companies of your Company.

6.0 Consolidated Financial Statements

The consolidated financial statements presented by the Company include financial information of its subsidiaries, and are prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

In view of the general exemption granted by the Ministry of Corporate Affairs vide circulars dated February 8, 2011 & February 21, 2011, the reports & annual accounts of the subsidiary companies are not required to be attached to your Company's Accounts for the FY ended 31st March 2014.

Accordingly, the annual accounts and detailed related information of the subsidiary companies will be made available to any shareholder seeking such information. The annual accounts of the Subsidiary Companies are also available for inspection by the shareholders at the Registered office of the Company and also available on your Company's website, www.adorwelding.com, in a downloadable / printable format. Shareholders desirous of obtaining the hard copy of annual report of your Company's subsidiaries may obtain the same upon request.

7.0 Directors' Responsibility Statement

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

- 7.1 In preparation of the Annual Accounts, all the applicable Accounting Standards have been followed;
- 7.2 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.
- 7.3 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.

- 7.4 Annual Accounts have been prepared on a going-concern basis.

8.0 Directors

- 8.1 During the FY 2013-14 Ms. A. B. Advani has been re-appointed as the Executive Chairman of the Company with effect from 01st May, 2014 for a period of 5 Years.

The above appointment is subject to the approval of the Members at the ensuing Annual General Meeting of the Company.

- 8.2 Mr. D. A. Lalvani and Mrs N. Malkani Nagpal, Directors of the Company, retire by rotation, as per the Articles of Association of the Company and are eligible for re-appointment.

- 8.3 Mr. M. K. Maheshwari, Mr. P.K. Gupta, Mr. R. N. Sapru and Mr. K. Digvijay Singh were appointed by the Company, pursuant to the provisions of clause 49 of the Listing Agreements executed with Stock Exchanges, as Non-Executive & Independent Directors of the Company, who were liable to retire by rotation as per the Articles of Association of the Company and the provisions of the Companies Act 1956.

As per section 149 of the Companies Act, 2013, which came into effect from 01st April, 2014, every Listed Company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. (There was no corresponding provision w.r.t. Independent Directors under the Companies Act, 1956) Accordingly, the above named Directors are being appointed as Independent Directors, not liable to retire by rotation and to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company, as per the provisions of the Companies Act, 2013.

- 8.4 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 and also Form DIR-8, pursuant to Section 164 of the Companies Act, 2013 & Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, alongwith their consent in Form DIR-2 pursuant to Section 152 of the Companies Act, 2013 & Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

9.0 Fixed Deposits

The Company has neither accepted nor renewed Fixed Deposits during the FY 2013-14.

10.0 Insurance

The properties / assets of the Company are adequately insured.

11.0 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.

12.0 Corporate Governance

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the Corporate Governance Code from the FY 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 (MDA) Report**, as mandated under the Code of Corporate Governance, is also attached to the Directors' Report as **Annexure - III**.

13.0 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.

14.0 Statutory Auditors

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

15.0 Cost Auditors

Pursuant to the approval of the Central Government under Section 233B of the Companies Act, 1956, the Board of Directors has appointed Mr. 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:

- 15.1 Name of the Cost Auditor: CMA Vishvesh Desai
- 15.2 Address of the Cost Auditor: 10, Prabhakarsmruti CHS Ltd., 4th Lane, Dahanukar Colony, Kothrud, Pune – 411 029, Maharashtra, India.
- 15.3 Membership No.: F-7330.
- 15.4 Firm Regn. No. : 102151
- 15.5 Due date for filing Cost Audit Report (XBRL) for the FY 2012-13 by the Cost Auditor with the Central Government: 27th September 2013.
- 15.6 Actual Date of filing of Cost Audit Report (XBRL) for the FY 2012-13 with the Central Government: 26th September 2013.

16.0 Employees

- 16.1 The industrial relations in all the Plants and Offices of the Company continue to remain harmonious, cordial and peaceful.
- 16.2 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 without 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.
- 16.3 The manpower strength of the Company as at the date of this Report is 713.

17.0 Acknowledgement

Your Directors take this opportunity to express their deep sense of appreciation for the invaluable contribution given and the spirit of dedication shown by all the employees of the Company. The Directors also place on record their deep gratitude for the business assistance, co-operation and support extended to your Company by the Customers, Distributors, Dealers, Suppliers, Service Providers, business partners, Bankers, Government authorities, Agencies, Shareholders & all the stakeholders. We look forward to their continued support and co-operation in future. As we continue to grow and expand, we look forward to sharing our success in the years ahead with all our stakeholders.

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2014

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 with 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 are 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 2 (two) Technology Development Centres (TDCs), out of which 1 (one) 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, upgradations, 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 steels.

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 total Turnover

FY 2013-14
Rs. 0.63 Crore
Rs. 2.96 Crore
Rs. 3.59 Crore
0.97%
FY 2012-13

Rs. 0.11 Crore

Rs. 4.49 Crore

Rs. 4.60 Crore

1.26%

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 2013-14
Rs. 49.63 Crore
Rs. 40.41 Crore
FY 2012-13

Rs. 46.61 Crore

Rs. 27.38 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 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 functioning of the Company are essential for long term enhancement of 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 'best in class' Corporate Governance practices, which is a key driver for sustainable corporate growth and long-term value creation for our stakeholders.

2) Board of Directors

Composition, Number of Meetings held and Attendance:

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

The Meetings of the Board of Directors are held at 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 meets, generally 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., 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 2013 - 14 under review, the Board of Directors met 4 (four) times, i.e. on 15th May 2013, 24th July 2013, 24th October 2013 and 30th January 2014.

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 2013-14 Attendance at		As on March 31, 2014		
			Board Meetings	Last AGM (held on 24 th July, 2013)	No. of other Directorships #	Committee Positions	
					No. of Memberships @	No. of Chairmanships @	
1	Ms. A. B. Advani	Executive	4	Present	2	1	Nil
2	Mr. S. M. Bhat	Executive	4	Present	Nil	Nil	Nil
3	Mrs. N. Malkani Nagpal	Non-Executive	3	Present	2	Nil	1
4	Mr. R. A. Mirchandani	Non-Executive	4	Present	2	1	Nil

Sr. No.	Name of the Director	Category of Directorship	Financial Year 2013-14 Attendance at		As on March 31, 2014		
			Board Meetings	Last AGM (held on 24 th July, 2013)	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	1	Nil
7	Mr. Anil Harish	Independent & Non-Executive	4	Present	13	6	3
8	Mr. M. K. Maheshwari	Independent & Non-Executive	3	Present	5	2	Nil
9	Mr. P.K. Gupta	Independent & Non-Executive	4	Present	Nil	Nil	Nil
10	Mr. R. N. Sapru	Independent & Non-Executive	3	Present	Nil	Nil	Nil
11	Mr. K. Digvijay Singh	Independent & Non-Executive	4	Present	1	Nil	Nil
12	Mr. Vippen Sareen	Independent & Non-Executive	3	Present	Nil	Nil	Nil

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

@ Considered Memberships / Chairmanships of Audit Committee & Shareholders / Investors' Grievance Committee only

None of the Directors is a Member of more than 10 (ten) Board Committees and Chairman of more than 5 (five) 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 updates thereon.
- Capital budgets and updates thereon.
- Quarterly & Half Yearly Unaudited Financial Results of the Company and its Operating Divisions or Business Segments.
- Annual Audited financial results of the Company
- Minutes of Meetings of the Committees of the Board.
- The information on recruitment and remuneration of senior executives, 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.
- Updates on working of subsidiaries.

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 onto 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 2013-14.

3) Audit Committee

Broad Terms of Reference / Functions of the Committee:

The Committee reviews and ensures that 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 investigate any activity undertaken by Subsidiaries.
- 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 2013-14 under review, 4 (four) Audit Committee Meetings were held, i.e. on 15th May 2013, 24th July 2013, 24th October 2013 and 30th January 2014.

On 15th May 2013, the Audit 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, aged 43 years, has done her Masters Degree in Business Administration (MBA) with specialization in Finance. She has about 18 years of experience in Financial Management of the Company.

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 apropos, to be present at the Meeting. Almost in all the Audit Committee Meetings, Senior Executives and Auditors of the Company were invited.

The composition of the Audit Committee and attendance at its Meetings held in FY 2013-14 is given hereunder:

Sr. No.	Name of the Director Member	Position	Category	Attendance during the FY 2013-14
1	Mr. Anil Harish	Chairman	Independent & Non - Executive Director	4
2	Mr. A. T. Malkani *	Member	Non - Executive Director	1
3	Mrs. N. Malkani Nagpal**	Member	Non - Executive Director	3
4	Mr. M. K. Maheshwari	Member	Independent & Non - Executive Director	3
5	Mr. K. Digvijay Singh	Member	Independent & Non - Executive Director	4

* Till 15th May 2013

** From 16th May 2013

The highlights of each of the Audit Committee Meetings are informed / provided 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 crucial 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 FY 2013-14 under review, 2 (two) Remuneration Committee Meetings were held on 15th May, 2013 and 30th January 2014.

On 15th May, 2013, the Remuneration Committee was reconstituted by the Board of Directors by inducting Mr. D.A. Lalvani in place of Mrs. N. Malkani Nagpal.



Mr. D. A. Lalvani, aged 33 years is a Commerce Graduate from H.R. College of Commerce, Mumbai, with a distinction in Marketing and Advertising. He has done his Masters in Commerce with specialization in Accounting. He has also done courses on International Business Strategy and Business Analysis & Valuations at London School of Economics, U.K. and also in Financial Planning & Basics in Derivatives. He has completed his MBA from Manchester Business School, U.K. He has worked with Langham Capital, London (Financial Advisory Firm focusing on M&A), DHL Europe & Penny – on (U.K.) (an NGO). He has hands on experience of over 11 years with many reputed National & International firms.

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

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

Sr. No.	Name of the Director Member	Position	Category	Attendance during the FY 2013-14
1	Mr. R. N. Sapru	Chairman	Independent & Non-Executive Director	1
2	Mr. Anil Harish	Member	Independent & Non-Executive Director	2
3	Mr. M. K. Maheshwari	Member	Independent & Non-Executive Director	2
4	Mrs. N.Malkani Nagpal*	Member	Non - Executive Director	-
5	Mr. D. A. Lalvani**	Member	Non - Executive Director	1

* Till 15th May 2013

** From 16th May 2013

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 Bonus / Performance Incentive & Commission (variable component) 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) to all / each of its Whole-time / Executive Directors such that the total remuneration (including commission / bonus), 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. Bonus / Performance Incentive and 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 recommended 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 proportionately, 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 the Directors for the financial year 2013-14 are given below:-

(Rupees in lacs)

Sr. No.	Name of the Director	Salary & Benefits (Perquisites)	Commission £	Sitting Fees @	Total
1	Ms. A. B. Advani	94.34	-	-	94.34
2	Mr. S. M. Bhat	76.00	18.34	-	94.34
3	Mrs. N. Malkani Nagpal	-	0.96	0.74	1.70
4	Mr. R. A. Mirchandani	-	0.96	0.60	1.56
5	Mr. A. T. Malkani	-	0.96	0.73	1.69
6	Mr. D. A. Lalvani	-	0.96	0.65	1.61
7	Mr. Anil Harish	-	0.96	0.82	1.78
8	Mr. M. K. Maheshwari	-	0.96	0.64	1.60
9	Mr. P. K. Gupta	-	0.96	0.40	1.36
10	Mr. R. N. Sapru	-	0.96	0.35	1.31
11	Mr. K. Digvijay Singh	-	0.96	0.72	1.68
12	Mr. Vippen Sareen	-	0.96	0.30	1.26
Total		170.34	27.94	5.95	204.23

£ Excluding Service Tax

@ As Member / Invitee, wherever applicable

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.

Pursuant to section 178(1) of the Companies Act, 2013 the nomenclature of the Remuneration Committee has been changed by the Board of Directors as "Nomination & Remuneration Committee", effective 01st April, 2014.



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 the same.

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 2013 – 14 under review, 4 (four) Shareholders / Investors' Grievance Committee Meetings were held, i.e. on 26th April 2013, 24th July 2013, 24th October 2013 and 30th January 2014.

Mr. D. A. Lalvani was elected as the Chairman of the Committee in the meeting of the Shareholders / Investors' Grievance Committee, held on 24th July, 2013.

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

Sr. No.	Name of the Director Member	Position	Category	Attendance during the FY 2013-14
1	Mr. D. A. Lalvani *	Chairman	Non - Executive Director	4
2	Mr. R. A. Mirchandani^	Member (Ex-Chairman)	Non - Executive Director	4
3	Mrs. N. Malkani Nagpal	Member	Non - Executive Director	4
4	Mr. A. T. Malkani	Member	Non - Executive Director	4

^ Till 15th May 2013

**** From 16th May 2013***

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 pending share transfers is given below:

- The total number of complaints received and replied to the satisfaction of the shareholders during the financial year 2013-14 was 15.
- There were no outstanding complaints as on 31st March, 2014.
- There are no pending share transfers in physical as well as in demat category. All the requests received upto 31st March, 2014 for share transfers have been processed by the Registrar & Share Transfer Agent (RTA) of the Company.

The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director	Shareholding	
		As on 31 st March, 2014	As on 20 th May , 2014
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	20,922	20,922
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

Pursuant to section 178(5) of the Companies Act, 2013 the nomenclature of the Shareholders / Investors' Grievance Committee has been changed by the Board of Directors as "Stakeholders Relationship Committee", effective 01st April, 2014

6) General Body Meetings

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

Sr. No.	Financial Year	Date	Location	Time
1	2012-13	24 th July, 2013	Walchand Hirachand Hall, Mumbai	03.30 pm
2	2011-12	20 th July, 2012	Walchand Hirachand Hall, Mumbai	03.30 pm
3	2010-11	22 nd July, 2011	Walchand Hirachand Hall, Mumbai	03.30 pm

All the special resolutions moved at the last 3 (three) Annual General Meetings (AGM) 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 8 (eight) 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	2013-14	50%	Final	679.92	115.55	795.47	422.67	188.20
2	2012-13	60	Final	815.91	132.36	948.27	1,908.02	49.70
3	2011-12	60	Final	815.91	132.36	948.27	2,089.11	45.39
4	2010-11	60	Final	815.91	135.51	951.42	2,569.11	37.03
5	2009-10	60	Final	815.91	135.51	951.42	2,633.52	36.13
6	2008-09	40	Final	543.94	92.44	636.38	1,257.18	50.62
7	2007-08	80	Final	1,087.88	184.88	1,272.76	2,291.61	55.54
8	2006-07	120	Final	1,631.82	277.33	1,909.15	3,261.78	58.53

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

7) Corporate Social Responsibility

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 & also 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.

The Board of Directors at its meeting held on 20th May 2014, has formed CSR Committee, represented by the following members:

Sr. No.	Name of the Director Member	Position	Category
1	Mr. Anil Harish	Chairman	Independent & Non-Executive Director
2	Ms. A B Advani	Member	Executive Chairman
3	Mr. S. M. Bhat	Member	Managing Director
4	Mr. D. A. Lalvani	Member	Non-Executive Director

The Company is in the process of forming its CSR Policy as mandated by Section 135 of the Companies Act 2013 and the details of the same will be uploaded onto its website and will also be incorporated in the Directors Report of the next FY 2014-15 onwards.

8) Disclosures
8.1 Materially significant related party transactions:

During the financial year 2013-14 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 Report is emailed to the Shareholders, whose email IDs are registered with the Company / RTA / DP and posted to other shareholders who either do not have email IDs or whose email IDs are not registered with the Company / RTA / DP.

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	:	Monday, 28 th July 2014 at 03.30 pm.
Venue	:	Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai - 400 020, Maharashtra, India.
Financial Year	:	01 st April 2013 – 31 st March 2014
Book Closure Dates	:	Tuesday, 22 nd July 2014 to Monday, 28 th July 2014
Dividend Payment Day and Date	:	By Friday, 01 st August 2014
Financial Calendar for the year 2014-15	:	Financial (unaudited) Reporting for the quarter ending June 2014 – by 14 th August 2014
	:	Financial (unaudited) Reporting for the quarter ending September 2014 – by 14 th November 2014
	:	Financial (unaudited) Reporting for the quarter ending December 2014 – by 13 th February 2015
	:	Financial (audited) Reporting for the year ending March 2015 – by the end of May 2015



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

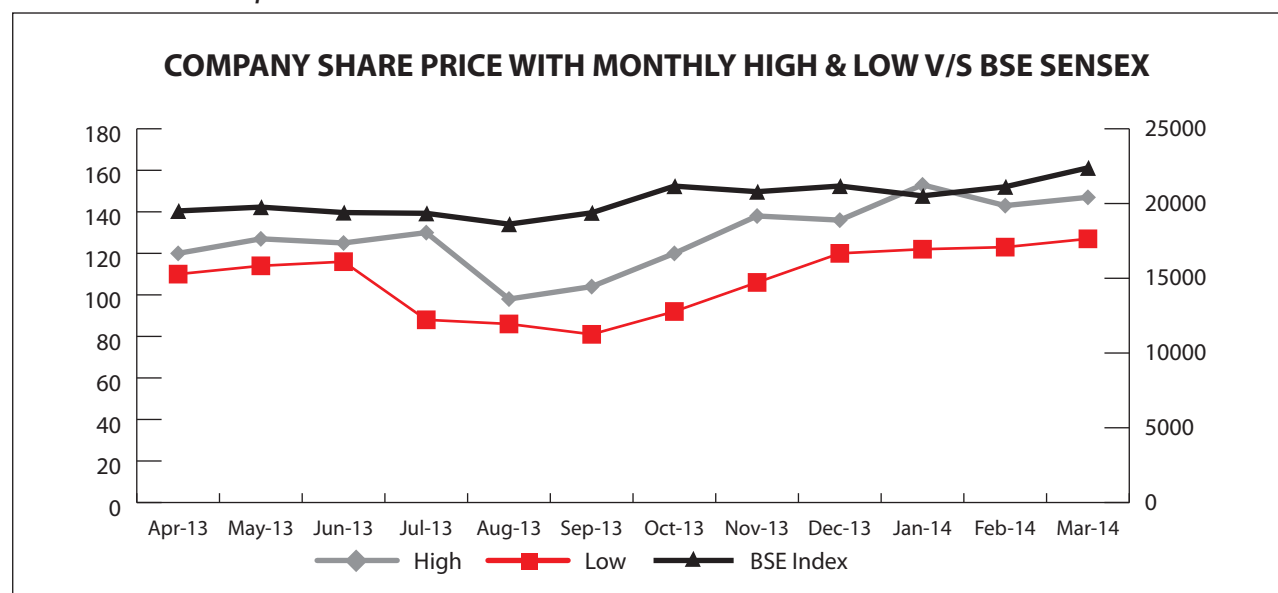
Market Price Data:

High / Low during each month of the financial year 2013-14 is given hereunder:

Month	High	Low	No. of Shares	No. of Trades
April, 2013	119.95	110.35	20,281	1,034
May, 2013	127.25	114.00	40,981	1,764
June, 2013	124.90	116.00	18,726	1,606
July, 2013	129.90	88.30	72,429	4,363
August, 2013	97.75	85.50	16,607	1,711
September, 2013	103.90	80.70	10,993	1,107
October, 2013	120.00	92.30	2,17,270	8,378
November, 2013	137.80	106.00	1,39,546	9,357
December, 2013	135.85	119.50	96,427	5,939
January, 2014	152.95	121.75	2,17,357	17,138
February, 2014	142.70	123.00	1,01,744	7,244
March, 2014	147.00	126.75	97,523	9,514

Source – The Bombay Stock Exchange (BSE), Mumbai

Performance in comparison to broad based indices such as BSE Sensex



ADOR WELDING LIMITED

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 No. : 022 - 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, NECS, 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, 2014:

Sr. No.	Range of Shareholding	No. of shareholders	% of total shareholders	No. of shares held	% of total shareholding
1	1 - 100	8,339	49.91	4,61,066	3.39
2	101 - 200	3,728	22.31	5,96,038	4.38
3	201 - 500	3,666	21.94	10,84,238	7.97
4	501 - 1000	539	3.23	4,23,503	3.12
5	1,001 - 5,000	352	2.10	7,52,344	5.53
6	5,001 - 10,000	39	0.23	2,91,575	2.15
7	10,001 - 1,00,000	38	0.23	12,65,094	9.30
8	1,00,001 and above	8	0.05	87,24,609	64.16
	Total	16,709	100.00	1,35,98,467	100.00

Shareholding pattern (category wise) as on 31st March, 2014:

Sr. No.	Category	No. of shares held	% of total shareholding
1	Promoters	77,08,307	56.68
2	Mutual Funds	15,18,632	11.17
3	Banks / Financial Institutions	632	0.01
4	FIs	3,925	0.03
5	NRIs / OCBs	4,34,556	3.20
6	Private Corporate Bodies	2,87,279	2.11
7	Resident Individuals & others	36,35,485	26.73
8	Clearing Members	9,651	0.07
	Total	1,35,98,467	100.00



Dematerialisation of shares and Liquidity:

- 1,27,49,888 equity shares of the Company, representing about 93.76 % of the total shares of the Company have been dematerialized as on 31st March, 2014.
- 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 2013-14 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 & 2013 (to the extent notified) 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, 2014:

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

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 is in the process of establishing Whistle Blower mechanism, as mandated by revised Clause 49 of the Listing Agreement and the details of the same will be uploaded onto its website. Presently, the Company takes the cognizance of the complaints & suggestions made by the employees through 'I-suggest' forum or 'Talk to your MD' sessions, by initiating the 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 2013-14.

For **ADOR WELDING LIMITED**

Mumbai, 20th May, 2014

S. M. Bhat
Managing Director

DISCLOSURE IN TERMS OF CLAUSE 49 (IV) (G) (ia) OF THE LISTING AGREEMENT

There are no inter-se relationships between the Board Members.

By Order of the Board

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

Mumbai, 20th May, 2014

**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 (the "Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the 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 Agreements.

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 Number: 102021W
Chartered Accountants

S. Venkatesh
Partner

Mumbai, May 20, 2014

Membership Number: 037942



ANNEXURE III – TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. BUSINESS SCENARIO AND PERFORMANCE SNAP SHOT

During the financial year (FY) 2013-14, the Indian economy experienced a nominal growth in its GDP from 4.47% to 4.50% on account of marginal growth in the agricultural sector. However the manufacturing and service sectors showed a negative growth as compared to FY 2012-13.

In addition to a negligible growth in GDP, the economy also saw the inflation average in excess of 8 % for FY 2013-14 with the peak seen at 8.79% in January 2014. The fiscal deficit, which was earlier projected at 4.8% of GDP for FY 2013-14 ended the year at 4.6%. Compounded to this was the liquidity crunch, which was experienced industry-wide during the entire year. A major slowdown was observed in the power, Oil & Gas projects, construction / infra projects and auto sector, which are traditionally the growth engines for the Welding Industry. Industrial production continued to contract throughout the year, under the impact of high interest rates, low investments and a significantly weakened currency. A large number of the expected CAPEX investments within relevant industries were postponed. This resulted in significant price pressures across most product lines within the welding industry in India, impacting 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 marginal Revenue growth of 1% over last year. The Consumables business volume increased by 3% over last year, whilst the Equipment business volume also increased by 71% over last year. The marketing drive was spearheaded by expansion of our customer base, product range & distribution network. Continuous efforts over the last 2 years in improving the effectiveness of Field Sales Management, to retain existing customers as well as gain new customers created a funnel of opportunities that will be harnessed on a continuous basis.

The overall PBT (before exceptional items) increased by over 7% compared to last year. The profitability of segmental Consumables business dropped by over 2% and the profitability of segmental Equipment business and Project Engineering business increased by over 33%.

Special products developed during FY 2013-14 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

Though inherently highly fragmented, present recessionary trend is causing a shake out & leading to consolidation.

In the consumables manufacturing space, few MNCs have done some local acquisitions to get a footprint in India. Also, local players are trying to go up in the value chain, both in the product & distribution front.

The Equipment business is moving towards low cost Chinese products, both for local & some key global players. This makes most of Indian companies traders rather than manufacturers, though it will be challenging for them with the further strengthening of Rupee. In the coming days, our focus on indigenized R&D should pay dividends. At this juncture, for the high end Inverter machines we shall be the main local source to cater to local market needs. Economic improvement will encourage the market to switch to Automation in a big way, both for Welding & Cutting and thereby calls for preparedness from local suppliers.

C. OPPORTUNITIES & THREATS

Our Nationwide Sales & Service network, Nationwide Distribution channel, backed by a large manufacturing footprint and capacity coupled with the fact that ours is one of the most desirable brands in the Industry will help us to grow consistently & more importantly be ready to meet the demand in an economic upswing in any Geographic/Industry Segment in the shortest possible time.

Our focus in Product R&D, and investments in development of products for newer applications, with fastest time to market, & our preparedness in Process R&D to offer solution to all Market Segments,

ADOR WELDING LIMITED

like Transport, Energy, Process, Infra, Shipbuilding, makes us the preferred choice for our customers.

Money supply is a key problem forcing many customers & dealers out of the loop, thus creating a severe dent in our existing market. However we are mitigating the risk by appointing new dealers in potential areas. Contraction of project activity is hitting us hard.

D. RISK & CONCERN

Import from low cost Countries is a major threat on the overall price realization. Excess supply position by existing manufacturers over demand is causing price dilution. Liquidity crunch in the market reduces the number of customers & distributors (based on credit worthiness) thus reducing the size of the existing market. Burdened by sluggish growth, the market may not have the ability to give a return on all new products. Global recession can fuel dumping by some countries. However development of new high value, niche application products by AWL, to replace the import of these products from developed countries will enable to overcome the risk.

E. INCOME STATEMENT ANALYSIS

The total operating revenues for the year reported a growth of 1%. The total Consumable business for the year was over Rs.276 Crore, registering a reduction of about 2% compared to the previous year. The Equipment & Project Engineering business was over Rs. 93 Crore, registering a growth of around 14% compared to the previous year (PY).

Other income earned was at Rs.4.49 Crore (PY Rs.3.61 Crore) which mainly accrued from prudent Treasury, Forex operations. The total Expenditure to Sales Ratio remained the same as last year at 94%.The sales product mix grew more in favour of solid wires, which conventionally have lower margins. Coupled with it, lower overall demand for consumables put pressure on 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 expenses to Materials have decreased to 9% as compared to 10% last year, on account of effective control of fuel consumption, spares & stores, etc. Also various initiatives taken at Plants like Lean

Manufacturing, Innovation initiatives, 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 29% to 33% mainly on account of reduced tax on long term Capital Gains on sale of property and brought forward capital losses of previous years. The EBITDA was higher at Rs. 42 Crore (PY Rs. 40 Crore), on account of increase in Other Income and reduction in Employee cost and Administrative expenses.

F. BALANCE SHEET ANALYSIS

The Company funded all its operating expenses and capital investments from internal accruals. However Investments in Mutual Funds decreased by Rs.13 Crore (PY decreased Rs. 8 Crore) as a result of deployment of these funds in subsidiaries.

In view of tight market conditions and lower demand, the inventory holding period increased to 49 days in the current year, as against 44 days in the previous year. This was partially also due to a strategic decision to hold inventory of critical long lead time raw material. Debtors were at 77 days as at 31st March, 2014 which were 73 days last year, as at 31st March, 2013. Creditors were at 70 days, as against last year 55 days.

G. OUTLOOK

Outlook for FY 2014-15 is not bullish given the fact that the GDP growth / Manufacturing Sector growth/ Steel (relevant) consumption is likely to remain very sluggish with a negative trend. Money circulation is likely to remain very tight causing veritable shortage of liquidity amongst end users & channel partners with no improvement in sight. There is no indication of increase in Capex to GDP ratio, showing no initiation of new projects. Moreover many of the running projects are nearing completion, resulting in contraction of the welding market, which is not expected to recover even this year. There may be a slight upward trend once a stable Government is put in place. However the real change of trend can be expected after 6 more months i.e. October 2014 onwards. Notwithstanding these conditions, our market share strategy will be pursued aggressively for continuing our growth plan. New products developed for new applications, which will enable our customers to reduce operating cost, will help us grow business.



Our introduction of new range of products, like CNC machines, Stainless Steel & MSGP electrodes for the Bottom of the Pyramid segment, special electrodes for Power, Process plants, Oil & Gas, Shipbuilding shall help to grow our market share. Our offering of total automation solution, especially for auto components shall open a new market opportunity for us.

Our investment in R&D & technical support should enable us to grow as a true total solution provider for our Customers, rather than a mere hardware supplier, which should act as a key strategic differentiator.

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 operational freedom of conducting business 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 consists of Independent Directors, who review the Internal Audit Reports and offer necessary guidance with respect to their adequacy & scope.

The Company has a sound ERP system. The strengthening of our ERP system has made our Financial and Accounting Management Systems more robust. Further the Company, in the current year has also implemented Business Intelligence (BI) software, fully integrated with the ERP system. This has helped in analysing and taking faster decisions. The Company is also in the process of implementing CRM software. The CRM will help the Company to identify its target customers, optimize sales management, improve company relationships with customers through personalization, identify customer needs and analyze distribution patterns.

The Company has a very good compliance track record with all the 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

Our Employees, Our Assets

A motivated and happy work force constitutes the engine of a growing and successful organization. We are striving to build a great workplace and necessary steps have already been taken. We firmly believe that our employees are key assets which differentiate us from our competitors. The employee strength as of 31st March 2014 stood at 717.

The HR initiatives in AWL are aimed to address two critical objectives:

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

For us to become the world's leading welding company, we need to attract motivated individuals from all backgrounds and industries to work for us. This means offering industry-leading training and development programs and encouraging the ambitions and interests of our employees by supporting them with strong career development opportunities. Several developmental interventions were undertaken to train the leadership teams, managers and junior employees. Innovation, Journey towards Leadership Excellence, Lean Management, Negotiation Skills, etc are a few

ADOR WELDING LIMITED

training interventions that took place apart from the regularly conducted on-the-job & other functional trainings. Also, development plans, learning and growth opportunities have been identified and planned.

Energizing and engaging the existing work force, providing them forums to voice their opinion and creating an exciting work place are vital for employee satisfaction. Towards this endeavour, many key initiatives like "MD's Town Hall", "Talk to your MD", Reward & Recognition Initiatives like "Adorable Employee / Plant", etc. took place.

The policies designed in AWL are employee friendly keeping in view employee specific needs. These policies are being reviewed and benchmarked with world class organizations. To name a few would be the Leave policy, Relocation & transfer policy, VIP policy, Prevention & Redressal of Sexual Harassment, etc. These policies provide first cut information on the rights & benefits offered to the employees.

Through our various employee friendly initiatives like Talent Management and the other Best-in-Class practices, we look forward to be amongst one of the desirable Employers to work for!

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, 2014, 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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' judgment,

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (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 notified under the Companies Act, 1956

read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and

- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

Mumbai,
May 20, 2014

S. Venkatesh
Partner
Membership Number: 037942

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the Members of ADOR WELDING LIMITED on the financial statements as of and for the year ended March 31, 2014.

- i. (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 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 off by the Company during the year.
- ii. (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.
- iii. 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),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. 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 and 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.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such 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 prices at the relevant time.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (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) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

ADOR WELDING LIMITED

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	98.04	January 2003 - October 2003, 1998-2002	CESTAT
		21.46	2008-2010	Commissioner (Appeals)
		1.22	2006-2007	Departmental Authorities
Central Sales Tax Act and Local Sales Tax of various states	Central Sales Tax and Local Sales Tax (including Value Added Tax)	5.08	1987-1988, 1992-1993	High Court
		4.05	1987-1988, 1992-1993	Tribunal
		243.55	1987-1988, 1992-1993, 2003-2006 and 2011-2012	Departmental Authorities

There are no disputed dues in respect of customs duty, income-tax, wealth tax and service tax as at March 31, 2014.

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. 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 financial institution or bank or debenture holders as at the balance sheet date.
- xii. 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.
- xiii. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv. In our opinion, the Company has maintained proper records of transactions 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.
- xv. In our opinion, and according to the information and explanations given to us, the Standby Letters of Credit ('SBLC') given to banks on behalf of its subsidiary, Plasma Laser Technologies Ltd. are not prejudicial to the interest of the Company. The Company has, during the year, provided for Rs. 1,054 lacs being the amount drawn by the subsidiary against the said SBLCs. Reference is invited to Note 42 (a) to the financial statements.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. 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.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Dalal & Shah
Firm Registration number: 102021W
Chartered Accountants

Mumbai,
May 20, 2014

S. Venkatesh
Partner
Membership Number: 037942



BALANCE SHEET AS AT 31ST MARCH, 2014

(Rupees in lacs)

Particulars	Note No.	As at	
		31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1,360	1,360
(b) Reserves and Surplus	4	16,730	17,103
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	77	140
(b) Deferred tax liabilities (Net)	6	50	43
(c) Long-term provisions	7	92	184
(3) Current Liabilities			
(a) Short-term borrowings	8	-	-
(b) Trade payables	9	5,194	4,052
(c) Other current liabilities	10	1,800	1,085
(d) Short-term provisions	11	2,475	1,534
	Total	27,778	25,501
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		7,393	8,088
(ii) Intangible assets		135	18
(iii) Capital work-in-progress		176	45
(b) Non-current investments	13	194	787
(c) Long-term loans and advances	14	1,017	317
(d) Other non-current assets	15	1,431	1,170
(2) Current Assets			
(a) Current investments	16	1,191	2,478
(b) Inventories	17	4,990	4,366
(c) Trade receivables	18	7,810	7,258
(d) Cash and Bank balances	19	2,135	354
(e) Short-term loans and advances	20	527	339
(f) Other current assets	21	779	281
	Total	27,778	25,501
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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014

**ADOR WELDING LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rupees in lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from operations (gross)	22	40,663	40,201
Less : Excise Duty		3,771	3,784
Revenue from operations (net)		36,892	36,417
II. Other Income	23	449	361
III. Total Revenue (I + II)		37,341	36,778
IV. Expenses:			
Cost of materials consumed	24	24,426	23,331
Purchase of Stock-in-Trade	25	479	180
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(433)	209
Employee benefits expense	27	3,382	3,596
Finance costs	28	142	81
Depreciation and amortization expense		1,203	1,234
Other expenses	29	5,292	5,482
Total Expenses		34,491	34,113
V. Profit before exceptional items and tax (III - IV)		2,850	2,665
VI. Exceptional Items (net)	42	1,478	-
VII. Profit before tax (V - VI)		1,372	2,665
VIII. Tax expense:			
(1) Current tax		(940)	(769)
(2) Deferred tax credit / (charge)		(7)	12
(3) Excess/(short) provision of taxes		(2)	-
IX. Profit for the year after tax (VII - VIII)		423	1,908
X. Earnings per equity share:	40		
Basic and Diluted earnings per share including exceptional items (Rs.10/- per share)		3.11	14.03
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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rupees in lacs)

Particulars	2013-14	2012-13
A) Cash Flows from Operating Activities		
Profit Before Tax	1,372	2,665
Add / (Less):		
a) Depreciation and amortization expense	1,203	1,234
b) Finance costs	142	81
c) Bad Debts written off	22	11
d) Provision for doubtful debts	29	15
e) Assets Written Off / discarded	3	5
f) (Profit) /Loss on Sale of Fixed Assets	2	3
g) Exchange rate fluctuation	(9)	5
h) Interest received from Banks and Others	(7)	(9)
i) Interest received on Government Securities	(15)	(19)
j) Income from Mutual Funds	-	(21)
k) Surplus on Sale of Investments	(142)	(133)
	<u>1,228</u>	<u>1,172</u>
Operating Profit before Working Capital Changes	2,600	3,837
Adjustment for :		
a) (Increase) in Trade and Other Receivables	(1,229)	(3,560)
b) (Increase) / Decrease in Inventories	(624)	956
	<u>(1,853)</u>	<u>(2,604)</u>
	747	1,233
Increase in Trade Payables	1,702	1,190
Cash Inflow from Operations	2,449	2,423
Less :		
Taxes paid	(887)	(732)
Net Cash from Operating Activities before Exceptional items	1,562	1,691
Add : Exceptional items (net)	1,478	-
Net Cash from Operating Activities	3,040	1,691
B) Cash Flows used in Investing Activities		
Outflow :		
a) Acquisition of Fixed Assets	1,293	1,430
b) Purchase of Investments	1,000	4,527
c) Investments in subsidiary	384	553
d) Loan / advance to subsidiary	162	-
Inflow :		
a) Proceeds from Sale of Fixed Assets	54	26
b) Proceeds from Sale of Investments	2,479	5,575
c) Interest received on Fixed Deposits	7	9
d) Interest received on Investments	17	8
e) Income from Mutual Funds	-	21
f) Received against sale of property	150	-
	<u>2,707</u>	<u>5,639</u>
Net Cash from / (used in) Investing Activities	(132)	(871)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Rupees in lacs)	
	2013-14	2012-13
C) Cash Flows used in Financing Activities		
Inflow:		
a) Finance Lease	-	43
Outflow:		
a) Finance costs	142	81
b) Finance lease	30	-
c) Dividend Paid	816	816
d) Dividend Tax Paid	139	132
	<u>1,127</u>	<u>1,029</u>
Net Cash used in Financing Activities	(1,127)	(986)
Net change in Cash/Cash Equivalents (A+B+C)	1,781	(166)
Add :		
Balance at the beginning of the year	216	382
Cash/Cash Equivalents at the close of the year -	<u> </u>	<u> </u>
Refer Note 19	<u>1,997</u>	<u>216</u>

The Notes form an integral part of these financial statements

As per our attached report of even date

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

S.Venkatesh
Partner
Membership No.: 037942

Mumbai, 20th May, 2014

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

S.M.Hede
Chief Financial Officer

A.B.Advani
Executive Chairman

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 :

Note 1- Background of the Company

Incorporated in 1951, Ador Welding Ltd. (AWL) is one of India's leading players in the field of Welding Products, Technologies & Services. The Company is also engaged in providing customized solutions for multi-disciplinary projects and contracts related to Refineries, Oil & Gas, Petrochemicals, Fertilizers, Steel Plants, Pharma, Water & other chemical process industries.

Note 2- Statements of Significant Accounting Policies and Practices

Basis of preparation of financial statements:-

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All 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 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 realization in cash and cash equivalents, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

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 recognized in the period in which the results are known.

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.
4. Sale of Services : In contract involving rendering of services, revenue is recognized when the service is performed in line with agreements / arrangements with concerned parties and is net of service tax.

Fixed Assets:-

1. Fixed Assets are accounted by the Company on the basis of historical costs. Gains or Losses arising on disposal are recognized 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.
- d) Intangible Assets are stated at cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over the estimated useful life, as decided by the management.

3. Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of three years.

Assets taken on Lease:-

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

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 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.

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 Statement of Profit and Loss 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.

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.

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.

**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 office / 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.

Research and Development:-

1. Revenue expenditure on Research & 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 & Development is debited to Fixed Assets and depreciation is provided on such assets as are depreciable.

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 , Gratuity Fund, Superannuation Fund, etc. are charged to the Statement of Profit and Loss 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 Statement of Profit and Loss. 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. **Compensated Absences** - Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year.

Actuarial losses / gains comprise experience adjustments and the effects of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the year in which they arise

- e. **Termination Benefits** are charged to the Statement of Profit and Loss in the year in which they are incurred.

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.

Borrowing Costs:-

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

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.

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.

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.



Note 3 - Share Capital

(Rupees in lacs)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Authorised : 3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs.10/- each	3,000	3,000
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	1,360	1,360
Total	1,360	1,360

Note 3a- Reconciliation of shares

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No.of shares	Rs.in lacs	No.of shares	Rs.in lacs
Equity shares:				
Shares outstanding at the beginning of the year	1,35,98,467	1,360	1,35,98,467	1,360
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,35,98,467	1,360	1,35,98,467	1,360

Note 3b- 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 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 3c- Shares held by Holding company

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	No. of shares	No. of shares
Equity Shares J.B.Advani & Co. Private Limited	68,00,531	68,00,531

Note 3d- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% of holding held	No. of shares	% of holding held
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	6,89,182	5.07
Total	74,89,713	55.08	74,89,713	55.08

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Note 4 - Reserves and Surplus

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
General Reserve		
Balance at the beginning of the year	13,181	12,990
Add: Transfer from Statement of Profit and Loss	42	191
Balance at the end of the year	13,223	13,181
Capital Redemption Reserve Account	223	223
Surplus as per Statement of Profit and Loss		
Balance at the beginning of the year	3,699	2,937
Add : Net Profit for the year	423	1,908
Less : Transfer to General Reserve	(42)	(191)
Less : Proposed Dividend	(680)	(816)
Less : Tax on proposed Dividend @	(116)	(139)
Balance at the end of the year	3,284	3,699
Total	16,730	17,103

@ Dividend proposed to be distributed to equity shareholders is Rs.5/- (Previous year Rs.6/-) per equity share.

Note 5 - Long-Term Borrowings (Unsecured)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Long-term maturities of finance lease obligations	77	140
Total	77	140

Note 6 - Deferred Tax Liabilities (Net)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability on account of :		
Depreciation	46	59
Capital Expenditure for Scientific Research	80	68
	126	127
Deferred Tax Assets on account of :		
Employee Benefits	67	79
VRS Payments*	-	-
Provision for Doubtful Debts	9	5
	76	84
Net Deferred Tax Liability	50	43

* Amount is below the rounding off norm adopted by the Company.



Note 7 - Long-Term Provisions

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits (Compensated Absences)	92	184
Total	92	184

Note 8 - Short-Term Borrowings (Secured)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Working Capital Loans from Banks (Refer Note below)	-	-
Total	-	-

- (i) Working Capital facilities from Banks are secured by pari passu charge by way of hypothecation of Company's stocks, other current assets and other tangible moveable assets of the Company, both present and future and book debts in favour of Bank of Baroda and HDFC Bank Limited. HDFC Bank Limited facilities are further secured by first exclusive charge on the entire plant and 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. 2,145 lacs; (Previous year Rs. 992 lacs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 9 - Trade Payables

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Dues to Micro, Small and Medium Enterprises (Refer Note 34)	521	171
Others	4,673	3,881
Total	5,194	4,052

Note 10 - Other Current Liabilities

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Current maturities of finance lease obligations	63	30
Employee Benefits Payable	302	125
Statutory dues	362	321
Unclaimed Dividend	132	133
Advances received from distributors on behalf of customers	546	112
Advances received from customers	109	141
Billing in advance (Refer Note 22)	28	-
Deposits from distributors	128	110
Others	130	113
Total	1,800	1,085

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Note 11 - Short-Term Provisions

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Excise Duty on Finished Goods Stock	331	358
Provision for Employee Benefits:		
- Gratuity	45	67
- Compensated Absences	58	48
- Interest Rate Guarantee on exempt Provident Fund	7	33
Provision for Warranties	71	37
Provision for Standby Letter of Credit [Refer Note 42(a)]	1,054	-
Provision for Proposed Dividend	680	816
Provision for Tax on Proposed Dividend	116	139
Provision for Income Tax (net of advance tax- Rs. 832 lacs) (Previous year Rs. 736 lacs)	108	32
Provision for Wealth Tax	5	4
Total	2,475	1,534

Note 12 - Fixed Assets

(Rupees in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	As at 31.03.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Land - Freehold	206	-	13	193	-	-	-	-	193	206
Land - Leasehold (a)	48	-	-	48	-	1	-	1	47	48
Buildings	6,014	53	58	6,009	2,596	296	31	2,861	3,148	3,418
Ownership Premises (b)	323	-	-	323	172	8	-	180	143	151
Plant and Machinery	11,762	356	83	12,035	8,864	636	74	9,426	2,609	2,898
Electrical Installations	912	38	16	934	440	66	7	499	435	472
Furniture and Fixtures	754	14	50	718	516	40	38	518	200	238
Office Equipments	189	16	12	193	95	17	11	101	92	94
Vehicles	439	12	95	356	281	39	80	240	116	158
Temporary Shed	3	-	-	3	3	-	-	3	-	-
Leased Assets - Vehicles	213	23	31	205	43	31	10	64	141	170
Research and Development Assets :										
Land Freehold	34	-	-	34	-	-	-	-	34	34
Buildings	90	37	-	127	86	1	-	87	40	4
Plant and Machinery	932	22	-	954	736	28	-	764	190	196
Air Conditioners	2	4	-	6	1	-	-	1	5	1
Total	21,921	575	358	22,138	13,833	1,163	251	14,745	7,393	8,088
Previous Year Total	20,517	1,667	263	21,921	12,837	1,224	228	13,833	8,088	
Intangible Assets										
Computer Software	283	157	-	440	265	40	-	305	135	18
Previous Year Total	276	7	-	283	255	10	-	265	18	

(a) Leasehold Land includes Land Rs.39.32 lacs (Net of amortisation Rs.38.36 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.



Note 13 - Non-Current Investments (At Cost) (Unquoted)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
A) Long-Term Trade Investments		
Investments in subsidiary companies		
i) Plasma Laser Technologies Ltd. 2,61,105 (Previous year 2,61,105) Series A Preferred shares of NIS 1.00 each	927	543
Less: Provision for dimution in the value of investments [Refer Note 42(a)]	927	-
	-	543
ii) Ador Welding Academy Private Ltd. 1,00,000 (Previous year 1,00,000) Equity Shares of Rs.10/- each	10	10
B) Other Long-Term Investments		
i) 6 Years National Savings Certificates*	-	-
ii) RECL Bonds (Non-Convertible Redeemable Taxable Bonds)- Series-VIII	-	50
iii) RECL Tax Free Secured Redeemable Non-Convertible Bonds (Unquoted)	184	184
Total	194	787

* Amount is below the rounding off norm adopted by the Company.

Note 14 - Long-Term Loans and Advances

Unsecured, considered good (unless otherwise stated)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Advance income tax (Net of provisions - Rs. 2,521 lacs) (Previous year Rs. 1,752 lacs)	127	103
Sundry Deposits	139	138
Loans and advances to subsidiary	260	11
Loans to Employees	4	9
Capital Advances	486	56
Prepaid Expenses *	1	-
Total	1,017	317

* Amount is below the rounding off norm adopted by the Company.

Note 15 - Other Non-Current Assets

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Fixed Deposits for bank guarantees	59	57
Deposits with Banks with maturity of more than twelve months	-	5
VAT and Sales tax receivables	1,352	1,107
Others	20	1
Total	1,431	1,170

Note 16 - Current Investments (Quoted)
Current Investments (At lower of Cost and Fair Value)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
In Mutual Funds:		
Tata Fixed Maturity Plan Series 38 A - Growth		
Nil (25,00,000 units)		
Nil (Previous year NAV Rs.288 lacs)	-	250
Tata Fixed Maturity Plan Series 39 F - Growth		
Nil (10,00,000 units)		
Nil (Previous year NAV Rs.110 lacs)	-	100
Kotak Fixed Maturity Plan Series 61- Growth		
Nil (20,00,000 units)		
Nil (Previous year NAV Rs.227 lacs)	-	200
Kotak Fixed Maturity Plan Series 71- Growth		
Nil (10,00,000 units)		
Nil (Previous year NAV Rs.111 lacs)	-	100
Kotak Fixed Maturity Plan Series 81- Growth		
Nil (10,00,000 units)		
Nil (Previous year NAV Rs.111 lacs)	-	100
Kotak Liquid Scheme Plan A - Growth		
Nil (3,640.725 units)		
Nil (Previous year NAV Rs. 88 lacs)	-	86



Note 16 - Current Investments (Quoted) (Contd.)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Reliance Floating Rate Fund - Short Term Plan - Growth Plan - Growth Option		
13,26,006.704 units of Rs. 10/- each (12,93,772.082 units)		
NAV Rs. 265 lacs (Previous year NAV Rs.239 lacs)	250	239
Reliance Income Fund - Growth Plan - Bonus Option		
Nil (36,54,824.654 units of Rs. 10/- each (Includes Bonus 13,70,559.245 units)) Nil (Previous year NAV Rs. 417 lacs)	-	400
DSP Black Rock Short Term Fund - Regular Plan - Growth		
Nil (5,28,714.418 units)		
Nil (Previous year NAV Rs. 105 lacs)	-	105
BNP Paribas Flexi Debt Fund - Growth		
17,42,018.829 units of Rs.10/- each (17,42,018.829 units)		
NAV Rs. 367 lacs (Previous year NAV Rs.342 lacs)	341	341
HDFC Short Term Plan - Growth		
Nil (11,37,479.726 units)		
Nil (Previous year NAV Rs. 257 lacs)	-	257
Religare Bank Debt Fund - Growth		
Nil (10,000 units)		
Nil (Previous year NAV Rs.102 lacs)	-	100
Religare Fixed Maturity Plan - Series XVIII - Plan C		
20,00,000 units of Rs.10/- each (20,00,000 units)		
NAV Rs. 217 lacs (Previous year NAV Rs.200 lacs)	200	200
Birla Sunlife Floating Rate Fund - Long Term - Growth - Direct Plan		
1,31,453.288 units of Rs 100/- each		
NAV Rs. 202 lacs	200	-
Tata Short Term Bond Fund Plan A - Growth		
8,55,271.035 units of Rs 10/- each		
NAV Rs. 202 lacs	200	-
Total	1,191	2,478
Aggregate value of Quoted Investments	1,253	2,597

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Note 17 - Inventories

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

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
1) Raw Materials and Components and Packing Material (includes in transit Rs.20 lacs ; Previous year Rs.29 lacs)	1,718	1,475
2) Work-in-Progress	972	666
3) Finished Goods	1,920	1,851
4) Stock-in-trade	114	82
5) Stores, Spares, Parts, etc.	266	292
Total	4,990	4,366

Note 18 - Trade Receivables

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Receivables outstanding for less than six months from the date they are due for payment Secured, considered good	635	577
Unsecured, considered good	5,955	6,129
Unsecured, considered doubtful	-	-
Less : Provision for doubtful debts	-	-
	6,590	6,706
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good *	1,220	552
Unsecured, considered doubtful	29	17
Less : Provision for doubtful debts	(29)	(17)
	1,220	552
Total	7,810	7,258

* includes an amount of Rs. 340 lacs (Previous Year Rs. 176 lacs) on account of retention money of Project Engineering Business



Note 19 - Cash and Bank Balances

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents:		
i) Cash on hand	2	4
ii) Balances with Banks in Current Accounts	1,995	212
	<u>1,997</u>	<u>216</u>
Other Bank Balances:		
i) Earmarked Balances with Banks (Dividend accounts)	132	133
ii) Term deposits with maturity of more than three months and less than twelve months	6	5
	<u>138</u>	<u>138</u>
Total	<u><u>2,135</u></u>	<u><u>354</u></u>

Note 20 - Short-Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances to Employees	23	25
Loans and Advance to Related Parties	7	6
Balances with Central Excise, Customs and Port Trust	4	4
Sundry Deposits	3	6
Advance to suppliers	305	220
Others	185	78
Total	<u><u>527</u></u>	<u><u>339</u></u>

Note 21 - Other Current Assets

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Export Incentive Receivable	181	159
Receivable from Holding Company	398	-
Forward Exchange Difference Receivable	10	2
Unbilled Revenue on contracts (Refer Note 22)	101	-
Other Receivables *	89	120
Total	<u><u>779</u></u>	<u><u>281</u></u>

* includes Rs.24 lacs (Previous year Nil) due from the Whole-time Director being excess remuneration paid (since recovered)

Note 22 - Revenue from Operations (Gross)

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products & Services	40,519	40,108
Other Operating Revenue	144	93
Total	40,663	40,201

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

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufactured Goods:		
Electrodes	16,856	19,459
Wires & Fluxes	10,616	9,115
Equipments & Spares	5,936	4,852
Project Engineering Business	2,680	2,516
Stock-in-trade:		
Welding Products & Accessories	660	382
Total	36,748	35,942

Disclosure pursuant to AS 7 (Revised)

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
I Contract revenue recognised for the year	2,680	-
II Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	1,424	-
III Amount of customer advances outstanding for contracts in progress	58	-
IV Amount of retentions due from customers for contracts in progress	340	-
V Amount due from customers (Refer Note 21)	101	-
VI Amount due to customers (Refer Note 10)	28	-

During the previous year, there were no revenues to be recognised under the percentage of completion method.



Note 23 - Other Income

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest received on Government Securities	15	19
Interest received from Banks and Others	7	9
Surplus on sale of investments	142	133
Refund of Sales tax on Assessment	-	3
Income from Mutual Funds	-	21
Rent received	65	25
Royalty received	4	5
Foreign currency fluctuation gain (net)	190	109
Miscellaneous Income	26	37
Total	449	361

Note 24 - Cost of Materials Consumed

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Stock (excluding in transit)	1,446	2,158
Add: Purchases during the year	24,678	22,619
Less: Closing Stock (excluding in transit)	(1,698)	(1,446)
Total	24,426	23,331

Details of Raw Materials and Components and Packing Materials consumed

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Wires and Rods	13,491	12,237
Titanium Dioxide and Rutile Sand	1,172	3,847
Manganese	601	704
Metal, Nickel and Iron Powder	481	531
Electrical Components	1,476	1,123
Mechanical Fittings	3,464	2,624
Packing materials	42	106
Others	3,699	2,159
Total	24,426	23,331

Value of Imported and Indigenous Raw Materials and Components and Packing Materials consumed

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	(Rs. in lacs)	%	(Rs. in lacs)	%
Imported	3,305	14	2,139	9
Indigenous	21,121	86	21,192	91
Total	24,426	100	23,331	100

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Note 25 - Details of Purchase of Stock-in-trade

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Welding Products	244	107
Welding Accessories	235	73
Total	479	180

Note 26 - Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Stock:		
Finished Goods	1,851	1,977
Stock-in-trade	82	97
Work-in-Progress	666	719
	2,599	2,793
Closing Stock:		
Finished Goods	1,920	1,851
Stock-in-trade	114	82
Work-in-Progress	972	666
	3,006	2,599
Add/(Less): Variation in Excise Duty on opening and closing stock of finished goods	(26)	15
Total	(433)	209

Details of Finished Goods

Particulars	(Rupees in lacs)			
	Closing Stock		Opening Stock	
	31.03.2014	31.03.2013	01.04.2013	01.04.2012
Manufactured Goods:				
Electrodes	678	890	890	919
Wires & Fluxes	889	648	648	559
Equipment	353	313	313	499
Project Engineering Business	-	-	-	-
Total	1,920	1,851	1,851	1,977

Details of Stock-in-trade

Particulars	(Rupees in lacs)			
	Closing Stock		Opening Stock	
	31.03.2014	31.03.2013	01.04.2013	01.04.2012
Welding Products & Accessories	114	82	82	97



Note 26 - Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade (Contd.)

Details of Work-in-Progress

(Rupees in lacs)

Particulars	Closing Stock		Opening Stock	
	31.03.2014	31.03.2013	01.04.2013	01.04.2012
Consumables	432	511	511	530
Equipment	215	151	151	125
Project Engineering Business	325	4	4	64
Total	972	666	666	719

Note 27 - Employee Benefit Expense

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries and incentives *	2,895	2,955
Contribution to Provident and other funds (net of reversal of liability)	98	228
Staff Welfare expenses	389	413
Total	3,382	3,596

* The Company has, during the year, changed its policy relating to compensated absences and accordingly re-estimated its liability as at 31st March, 2014. As a result, provision for compensated absence amounting to Rs.107.65 lacs has been written back and adjusted to 'Employee Benefits Expense'.

Note 28 - Finance Costs

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expense	46	30
Other Borrowing costs	96	51
Total	142	81

Note 29 - Other Expenses

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing and other expenses (Refer Note 30)	2,205	2,366
Electricity and Power expenses	25	26
Rent	79	89
Freight	354	294

ADOR WELDING LIMITED

Note 29 - Other Expenses (Contd.)

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Legal and Professional fees	337	350
Insurance	23	22
Repairs and Maintenance - others	123	144
Travelling, conveyance and vehicle expenses	896	885
Directors fees	6	6
Telephone, Postage & Telegram	173	201
Rates and Taxes	61	63
Advertisement and Sales Promotion expenses	92	138
Commission paid	18	31
Bad Debts Written off (net of reversal of provision for doubtful debts Rs.17 lacs; Previous year Nil)	22	11
Provision for Doubtful Debts	29	15
Loss on sale of Fixed Assets (net)	2	3
Assets written off / discarded	3	5
Printing and stationery	48	58
Auditors Remuneration (Refer Note 31)	40	37
Miscellaneous Expenses	756	738
Total	5,292	5,482

Note 30 - Manufacturing and Other Expenses

Particulars	Year ended	
	31st March,2014	31st March,2013
Consumption of Stores and spares	680	717
Power and Fuel	854	906
Repairs to Machinery	98	125
Repairs to Building	7	9
Other Manufacturing expenses	566	609
Total	2,205	2,366

Note 31 - Auditors Remuneration

Particulars	Year ended	
	31st March,2014	31st March,2013
Statutory audit fees	24	22
Tax audit fees	7	7
Certification and other matters	8	7
Reimbursement of out of pocket expenses	1	1
Total	40	37

Value of Imported and Indigenous Stores and Spare parts consumed

Particulars	Year ended 31st March,2014		Year ended 31st March,2013	
	(Rs. in lacs)	%	(Rs. in lacs)	%
Imported	24	4	41	6
Indigenous	656	96	676	94
Total	680	100	717	100



Note 32 - Contingent Liabilities not provided for

Particulars	(Rupees in lacs)	
	As at 31st March,2014	As at 31st March,2013
a) Disputed Sales Tax as the matters are in appeal (advance paid Rs. 27 lacs; Previous Year Rs. 9 Lacs)	279	68
b) Disputed Excise duties as the matters are in appeal (advance paid Rs. 2 lacs; Previous Year Rs. 2 lacs)	123	115
c) On account of bills discounted by the Company	222	130
d) Bonds / Undertakings given by the Company under Concessional duty / exemption scheme / Waiver of penalty to Customs Authorities	90	110
e) Standby Letter of Credit issued to Bank Hapoalim Ltd. / HDFC Bank Ltd. - Hongkong for loans drawn / to be drawn by a subsidiary	73	187
f) Other matters	110	83

Note 33 - Estimated amount of Contracts remaining to be executed

Particulars	(Rupees in lacs)	
	As at 31st March,2014	As at 31st March,2013
On Capital Account and not provided for (Net of advances)	582	422

Note 34 - Trade payables in Note 9 include

Particulars	(Rupees in lacs)	
	As at 31st March,2014	As at 31st March,2013
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	510	171
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11	3
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of the MSMED Act, paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-

Note 35 - Revenue expenditure incurred during the year on Research & Development, through the natural heads of account, amounts to Rs. 296 Lacs (Previous Year Rs. 449 Lacs) (including Depreciation Rs. 29 Lacs; Previous Year Rs. 31 Lacs) and Capital expenditure thereof amounts to Rs. 63 Lacs (Previous Year Rs. 11 Lacs).

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Note 36 - A) Details of C.I.F. value of Imports (including in-transit)

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Raw Materials and Components	3,599	2,082
Capital Goods	22	40
Spares, etc.	9	55
Purchase of stock-in-trade	111	280
B) Details of Expenditure in Foreign Currency		
Travelling	80	83
Bank charges	16	16
Against Standby Letter of Credit issued to Bank Hapoalim Ltd. / HDFC Bank Ltd. - Hongkong for loans taken by a subsidiary	1,054	-
Salaries and incentives at Sharjah office	149	110
Others	55	72

Note 37 - A) Details of Earnings in Foreign Exchange

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
F.O.B. Value of Exports (Net of Returns)	4,913	4,635
Commission received	-	25
Service charges received	50	2

B) * Details of Dividend remitted to Non-Resident shareholders in Foreign Currency:

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Number of Non-Resident Shareholders	66	66
Number of Equity Shares held	9,363	9,463
Financial Year ended for which dividend is remitted	2012-13	2011-12
Amount of dividend remitted (Rs. in Lac)	0.56	0.57

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



Note 38 - 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	27,562	28,215	9,330	8,202	36,892	36,417
Inter Segment Revenue	-	-	-	-	-	-
Total Revenue	27,562	28,215	9,330	8,202	36,892	36,417
Segment Result before Interest and tax	3,062	3,116	1,038	783	4,100	3,899
Add/(Less) :						
Unallocable expenses					-	-
(Net of unallocable income)					(1,108)	(1,153)
Finance costs					(142)	(81)
Excess / (Short) Provision of Taxes:						
In respect of earlier years (Net)					(2)	-
Prior Period Adjustments					-	-
Exceptional Items (Net)					(1,478)	-
Provision for taxes (Net of Deferred Tax)					(947)	(757)
Net Profit					423	1,908
Other Information						
Segment Assets	12,504	13,989	9,199	6,311	21,703	20,300
Unallocated Assets					6,075	5,201
Total Assets					27,778	25,501
Segment Liabilities	3,582	3,252	3,526	2,002	7,108	5,254
Unallocated Liabilities					2,580	1,784
Total Liabilities					9,688	7,038
Capital Expenditure						
Segment Capital Expenditure	377	427	379	224	756	651
Unallocated Capital Expenditure					107	871
Total Capital Expenditure (Tangible and Intangible Assets)					863	1,522
Depreciation and Amortisation						
Segment Depreciation and Amortisation	766	837	295	279	1,061	1,116
Unallocated Depreciation and Amortisation					142	118
Total Depreciation and Amortisation					1,203	1,234
Significant Non Cash Expenditure						
Segment Significant Non Cash Expenditure	-	5	-	-	-	5
Unallocated Significant Non Cash Expenditure	-	-	-	-	3	-
Total Significant Non Cash Expenditure	-	5	-	-	3	5

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	31,928	31,767	4,964	4,650	36,892	36,417
Carrying Amount of Segment Assets	20,767	19,072	936	1,228	21,703	20,300
Additions to Fixed Assets (Tangible and Intangible Assets)	746	632	10	19	756	651

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 39 - Related Parties Disclosure
A) Relationships:

Relationships	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 Private Limited. Plasma Laser Technologies, North America Inc. Aluminum Hybrid Systems Limited
c) Companies in which Holding Company has 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 Private Limited. (Upto Oct-2012)
e) Key Management Personnel	Ms. A. B. Advani. Mr. Raman Kumar. (Upto May-2012) Mr. S.M.Bhat.(From May-2012)
f) Relatives of Key Management Personnel where transactions have taken place	No transactions have taken place during the year.



B) Transactions

(Rupees in lacs)

Relationship / Name of the related party	Description of the nature of transactions	Value of the transactions		
		Year ended 31 st March 2014	Year ended 31 st March 2013	
a) Holding Company				
J B Advani & Company Private Limited	Sale of goods	14	35	
	Purchase of goods	1,147	1,014	
	Rent Received	25	-	
	Reimbursement of Expenses	6	29	
	Sale of Assets	550	-	
	Recovery of Expenses	20	17	
	Outstanding Receivable	6	13	
	Other Receivable	398	-	
	Outstanding Payable	110	197	
b) Subsidiary Company & Fellow Subsidiaries				
i) Plasma Laser Technologies Limited	Investment in Equity	384	543	
	Standby Letter of Credit for Loans (SBLC)	867	187	
	Provision against SBLC	1,054	-	
ii) Ador Welding Academy Private Limited	Sale of goods	41	36	
	Sale of Fixed Assets	9	-	
	Purchase of goods	3	-	
	Rent Received	12	1	
	Loan/ Funding	162	-	
	Long - Term Loans / Advances @	260	11	
	Outstanding Receivable	-	37	
	Outstanding Payable	-	8	
c) Companies in which Holding Company has Significant Influence and Its Associates	Investment in Equity	-	10	
	i) Ador Fontech Limited	Outstanding Receivable	2	42
		Purchase of goods	3	1
		Recovery of Expenses	3	8
		Reimbursement of Expenses	15	19
		Rent Received	10	4
		Royalty Received	3	3
		Sale of goods	253	380
		Short Term Loans / Advances	3	-

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		Year ended 31 st March 2014	Year ended 31 st March 2013
ii) Ador Multiproducts Limited	Outstanding Receivable	13	16
	Purchase of goods	1	1
	Recovery of Expenses	2	1
	Royalty Received *	-	-
	Sale of goods	244	474
	Short Term Loans / Advances	2	-
iii) Ador Powertron Limited	Outstanding Payable *	-	1
	Outstanding Receivable	16	5
	Purchase of Fixed Assets	6	73
	Purchase of goods	4	3
	Recovery of Expenses	2	6
	Rent Received	2	3
	Royalty Received	1	2
	Sale of goods	16	20
Short Term Loans / Advances	2	-	
@ free of interest			
* Amounts have been rounded as per norms of the Company			
d) Other Related Parties where significant influence exists	Description of the nature of transaction	Value of the transactions	
		Year ended 31 st March 2014	Year ended 31 st March 2013
Cryolor Asia Pacific Private Limited	Sale of goods	-	8
	Outstanding Receivable	-	8
e) Key Management Personnel			
Ms A B Advani	Remuneration	94	125
	Other receivables	24	-
Mr. Raman Kumar	Remuneration	-	14
Mr. S.M.Bhat	Remuneration	94	86
Non-Executive Directors	Commission	11	32

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. and HDFC Bank Ltd. - Hongkong for Rs.1,127 lacs (Previous Year Rs. 187 Lacs) towards security for loans drawn / to be drawn by M/s. Plasma Laser Technologies Ltd.



Note 40 - Computation of Profit for Earnings per Share

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
	Profit for the year after tax (Rs. in lacs)	423
Weighted average number of shares outstanding	1,35,98,467	1,35,98,467
Basic and Diluted Earnings per share (Rs.)	3.11	14.03

Note 41 - Disclosure in respect of derivative instruments

(a) Forward contracts outstanding :

Particulars	Currency	Year ended 31 st March 2014		Year ended 31 st March 2013	
		Amount in FC	Rs. in Lacs	Amount in FC	Rs. in Lacs
Against Exports	USD	7,73,331	471	4,70,923	252
Against Imports	EURO	99,542	80	-	-
	USD	1,97,200	116	-	-

(b) Foreign currency exposures that are not hedged by derivative instruments :

Sr. No.	Particulars	Currency	As at 31 st March 2014		As at 31 st March 2013	
			Foreign Currency	Rs in Lacs	Foreign Currency	Rs in Lacs
i)	Debtors	USD	18,45,546	1,124	18,26,507	978
ii)	Creditors	USD	8,123	5	1,68,729	92
		EURO	1,08,720	88	44,546	31
		CAD	19,553	10	-	-
iii)	Other Advances/ Deposits	USD	1,69,024	103	86,174	47
		EURO	6,517	5	12,139	8
		AED	1,51,773	26	1,46,985	22
iv)	Bank Balance	USD	4,148	3	83,626	45
		AED	8,456	1	15,818	2
v)	Other Liability	AED	4,745	1	7,190	1

(c) All derivative instruments have been acquired for hedging purpose.

Note 42 - Exceptional Items

- a) Investment in Plasma Laser Technologies Ltd (PLT) (Subsidiary).

The Company has an investment of Rs. 927 Lacs (PY Rs. 543 Lacs) in PLT and has also issued Standby Letter of Credits (SBLC) to Banks aggregating to Rs. 1,127 Lacs (PY Rs. 187 Lacs) for loans drawn / to be drawn by PLT.

PLT has incurred losses since the date of acquisition, The accumulated losses of PLT as at 31st March 2014 exceeded its net worth. The Company has evaluated its investment for the purpose of determination of potential diminution in value and based on such evaluation and considering the underlying factors including downturn in business and decrease in related activities, has recognized a provision for diminution in the value of investment in PLT as at 31st March 2014 amounting to Rs. 927 Lacs and has also provided for the SBLC amounting to Rs. 1,054 Lacs (being the amount drawn by PLT) both of which have been shown as exceptional items in the Statement of Profit and Loss Account.

- b) Surplus on sale of property of Rs 503 Lacs [Refer Note 39B(a)]

Note 43 - Employee Benefits

- a) An amount of Rs.113 Lacs (Previous year Rs. 130 Lacs) towards defined contribution plans is recognised as expense in the Statement of Profit and Loss.

- 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)	
	2013-14	2012-13
Change in present value of obligation		
Obligation at beginning of the year	302	328
Current Service Cost	31	30
Interest Cost	24	29
Actuarial (gain) / loss	(39)	8
Benefits paid	(41)	93
Obligation at the end of the year	277	302
Change in Plan assets		
Fair value of Plan assets at beginning of the year	235	282
Expected return on plan assets	17	22
Actuarial gain / (loss)	6	(22)
Contributions	15	47
Benefits paid	(41)	(94)
Fair value of plan assets at end of the year	232	235
Reconciliation of present value of the obligation and the fair value of plan assets and amount recognized in the balance sheet:		
Present value of the defined benefit obligation at the end of the year	277	302
Fair value of plan assets at the end of the year	(232)	(235)
Net liability / (Asset) recognized in the balance sheet	45	67



(Rupees in lacs)

Particulars	2013-14	2012-13
Gratuity cost recognized for the year:		
Current Service cost	31	30
Interest cost	24	29
Expected return on plan assets	(17)	(22)
Actuarial (gain)/loss	(45)	30
Net gratuity cost	(7)	67
Break-up of Plan Assets at the end of the year		
Insurer Managed Funds	100%	100%
Assumptions:		
Discount rate (p.a.)	9.20%	7.85%
Estimated rate of return on plan assets (p.a.)	7.50%	7.50%
Rate of growth in salary levels* (p.a.)	8.00%	8.00%
The estimated contribution to be paid to the plan during the annual period begins after the balance sheet date is Rs 50 Lacs (PY Rs. 50 lacs)		

* 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	31-03-14	31-03-13	31-03-12	31-03-11	31-03-10
Net Asset / (Liability) recognized in Balance Sheet					
(a) Present Value of Obligation at the close of the year	277	302	328	305	278
(b) Fair Value of Plan Assets at the close of the year	232	235	281	274	279
(c) Asset / (Liability) recognized in the Balance Sheet	(45)	(67)	(47)	(31)	1
Change in Defined Benefit Obligation (DBO) during the year ended					
Actuarial (Gain) / Loss	(39)	8	17	10	(30)
Change in the Fair Value of Plan Assets					
Actuarial Gain / (Loss)	6	(23)	(4)	(0)	(8)

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	2013-14	2012-13
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	975	842
Current Service Cost	45	46
Interest Cost	75	68
Actuarial (gain)/loss	20	94
Employees contribution	77	80
Liabilities assumed on Acquisition / (settled on Divestiture)	22	51
Benefits paid	(131)	(206)
Closing Defined Benefit Obligation	1,083	975
Change in Fair Value of Assets		
Opening Fair value of Plan assets	942	821
Expected return on plan assets	71	60
Actuarial gain / (loss)	50	90
Employer contributions during the period	45	46
Employee contributions during the period	77	80
Assets acquired on Acquisition / (distributed on Divestiture)	22	51
Benefits paid	(131)	(206)
Closing Fair value of Plan Assets	1,076	942
Reconciliation of present value of the obligation and the fair value of plan assets and amount recognized in the balance sheet:		
Present value of the defined benefit obligation at the end of the year	1,083	975
Fair value of plan assets at the end of the year	(1,076)	(942)
Net liability / (Asset) recognized in the balance sheet	7	33



Particulars	2013-14	2012-13
Break-up of Plan Assets at the end of the year		
Government of India Securities	26%	25%
Corporate Bonds	31%	33%
Special Deposit Schemes	26%	30%
Equity shares of Listed companies	10%	10%
Others	6%	3%
Assumptions:		
Discount rate	9.20%	7.85%
Expected rate of return on assets	8.24%	7.53%
Discount rate for the remaining term to maturity of the investment	9.18%	7.94%
Average historic yield on the investment	8.22%	7.62%
Guaranteed rate of return	8.75%	8.50%

Defined Benefit Plan for 5 Years

(Rupees in lacs)

Provident Fund Particulars	Year ended				
	31-03-14	31-03-13	31-03-12	31-03-11	31-03-10
Defined Benefit Obligation	1,083	975	842	-	-
Plan Assets	1,076	942	821	-	-
Surplus	(7)	(33)	(21)	-	-
Experience Adjustment on Plan Liabilities	38	80	-	-	-
Experience Adjustment on Plan Assets	50	90	-	-	-

Note 44 - Lease arrangements - Operating Lease

The Company's significant leasing arrangements are in respect of residential flats and office premises taken on cancellable lease. The aggregate amount of operating lease rent debited to Statement of Profit and Loss during the year is Rs 79 Lacs (Previous year Rs. 89 Lacs)

Note 45 - Lease Obligation - Finance Lease

Net carrying amount of carrying assets as at Balance Sheet date – Rs.141 Lacs (Previous year Rs 170 Lacs)

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

(Rupees in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Minimum lease rentals payable as on Balance Sheet date	124	183
Present value of Minimum lease rentals payable	102	163

(Rupees in lacs)

Particulars	Minimum Lease Payment		Present Value of Minimum Lease Payments	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Amount due within one year	63	73	56	65
Amount due from one year to five years	61	110	46	98
Amount due from five years and above	-	-	-	-
TOTAL	124	183	102	163

Note 46 - Amounts below Rs 0.50 lac have been rounded off as per rounding off norms of the Company.

Note 47 - The Figures for the previous year are regrouped/ re-arranged, wherever necessary.

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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014



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, 2014, 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the Companies Act, 1956 read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, 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 &



ADOR WELDING LIMITED

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, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss 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 Matters

8. We did not audit the financial statements of four subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 531 Lacs and net assets of Rs. (2,117) Lacs as at March 31, 2014, total revenue of Rs. 310 Lacs, net loss of

Rs. 1,116 Lacs and net cash outflows amounting to Rs. 96 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,
May 20, 2014**

Membership Number: 037942



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Rupees in lacs)

Particulars	Note No.	As at	
		31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1,360	1,360
(b) Reserves and Surplus	4	15,486	16,869
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	890	742
(b) Deferred tax liabilities (Net)	6	52	43
(c) Long-term provisions	7	151	324
(3) Current Liabilities			
(a) Short-term borrowings	8	842	156
(b) Trade payables	9	5,438	4,207
(c) Other current liabilities	10	2,230	1,518
(d) Short-term provisions	11	1,591	1,409
Total		28,040	26,628
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		7,592	8,128
(ii) Intangible assets		143	18
(iii) Capital work-in-progress		176	45
(b) Goodwill on Consolidation		1,628	1,357
Less : Impairment		(1,628)	-
(c) Non-current investments	13	184	234
(d) Long-Term loans and advances	14	762	306
(e) Other non-current assets	15	1,472	1,194
(2) Current assets			
(a) Current investments	16	1,191	2,478
(b) Inventories	17	5,154	4,465
(c) Trade receivables	18	7,828	7,266
(d) Cash and Bank balances	19	2,170	474
(e) Short-term loans and advances	20	559	371
(f) Other current assets	21	809	292
Total		28,040	26,628
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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014



ADOR WELDING LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rupees in lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from operations (gross)	22	40,962	40,279
Less : Duties and Levies		3,779	3,784
Revenue from operations (net)		37,183	36,495
II. Other Income	23	440	381
III. Total Revenue (I + II)		37,623	36,876
IV. Expenses:			
Cost of materials consumed	24	24,552	23,333
Purchase of Stock-in-trade	25	479	188
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(473)	247
Employee benefits expense	27	3,984	3,748
Finance costs	28	209	98
Depreciation and amortization expense		1,228	1,238
Other expenses	29	5,908	5,579
Total Expenses		35,887	34,431
V. Profit before exceptional items and tax (III - IV)		1,736	2,445
VI. Exceptional Items (net)	36	1,296	-
VII. Profit before tax (V - VI)		440	2,445
VIII. Tax expense:			
(1) Current tax		(940)	(769)
(2) Deferred tax credit / (charge)		(9)	12
(3) Excess / (short) provision of taxes		(2)	-
IX. Profit / (Loss) for the year after tax (VII - VIII)		(511)	1,688
X. Earnings / (Loss) per equity share (in Rs.):			
Basic and Diluted earnings / (loss) per share including exceptional items (Rs.10/- per share)	31	(3.76)	12.41
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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rupees in lacs)

Particulars	2013-14	2012-13
A) Cash Flow arising from Operating Activities		
Net Profit Before Tax	440	2,445
Add/(Less) :		
a) Depreciation and amortization expense	1,228	1,238
b) Finance costs	209	98
c) Bad Debts written off	22	-
d) Provision for doubtful debts	29	-
e) Assets Written Off / discarded	3	5
f) (Profit) / Loss on Sale of Fixed Assets	2	4
g) Exchange rate fluctuation	(9)	-
h) Interest received from Banks and Others	(7)	(9)
i) Interest received on Govt Securities	(15)	(19)
j) Income from Mutual Funds	-	(21)
k) Surplus on Sale of Investments	(142)	(134)
	<u>1,320</u>	<u>1,162</u>
Operating Profit before Working Capital Changes	1,760	3,607
Adjustment for :		
a) (Increase) in Trade and Other Receivables	(1,192)	(3,505)
b) (Increase) / Decrease in Inventories	(689)	992
	<u>(1,881)</u>	<u>(2,513)</u>
Increase in Trade and other Payables	(121)	1,094
Cash Inflow from Operations	1,811	1,091
Less :		
Direct Tax paid	(890)	(732)
	<u>800</u>	<u>1,453</u>
Add : Exceptional items (net)	1,025	-
Cash Inflow in the course of Operating Activities	<u>1,825</u>	<u>1,453</u>
B) Cash Flow arising from Investing Activities		
Outflow:		
a) Acquisition of Fixed Assets	1,485	1,436
b) Acquisition of a Subsidiary	-	79
c) Purchase of Investments	1,000	4,527
	<u>2,485</u>	<u>6,042</u>
Inflow:		
a) Proceeds from Sale of Fixed Assets	54	27
b) Proceeds from Sale of Investments	2,479	5,575
c) Interest Received on Fixed Deposits	7	9
d) Interest received on Investments	17	7
e) Income from Mutual Funds	-	21
f) Received against sale of property	150	-
	<u>2,707</u>	<u>5,639</u>
Net Cash (Outflow) in the course of Investing Activities	<u>222</u>	<u>(403)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rupees in lacs)

Particulars	2013-14	2012-13
C) Cash Flows used in Financing Activities		
Inflow :		
a) Finance Lease	33	43
b) Term Loans and other Borrowings (net)	856	-
Outflow:		
a) Finance costs	209	98
b) Dividend Paid	816	816
c) Dividend Tax Paid	139	132
d) Term Loans and other Borrowings (net)	-	82
	1,164	1,128
Net Cash (Outflow) in the course of Financing Activities	(275)	(1,085)
D) Change in Currency Fluctuation Reserve arising on consolidation	(76)	(14)
Net (Decrease) in Cash / Cash Equivalents (A+B+C+D)	1,696	(49)
Balance at the beginning of the year	336	382
Add : Acquisition of Subsidiary	-	3
Cash / Cash Equivalents at the close of the year - Refer Note 19	2,032	336

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**

 S.M.Hede
Chief Financial Officer

 S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1 - General Information :-

The consolidated financial statements relate to Ador Welding Limited ('the Company') and its subsidiary companies. 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, 2014
Ador Welding Academy Private Ltd.	India	100 % Subsidiary (w.e.f 24 th July, 2012)
Plasma Laser Technologies Ltd.	Israel	67.55% [*]
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 - Statements of Significant Accounting Policies and Practices :-

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 year ended 31st March.
- (ii) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.
- (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.

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) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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.

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.
4. Sale of Services : In contract involving rendering of services, revenue is recognized when the service is performed in line with agreements / arrangements with concerned parties and is net of service tax.

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 - 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.

Cost of leasehold land is amortised over the period of lease.

Depreciation on additions / deletions is charged on pro-rata basis, upto the month of purchase/ including the month of sale.

Intangible Assets are stated at cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over the estimated useful life as decided by the management.



Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of three years.

- 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.

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.

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.

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 office / 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.

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.

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.

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, Gratuity Fund, Superannuation Fund, etc. are charged to the Statement of Profit and Loss 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 statement of Profit and Loss. 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. **Compensated Absences** - Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year.

Actuarial losses / gains comprise experience adjustments and the effects of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the year in which they arise.

- e. **Termination Benefits** are charged to the statement of Profit and Loss in the year in which they are incurred.

Assets taken on Lease :-

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

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.

**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.

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 Statement of Profit and Loss 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.

Borrowing Costs :-

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

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.

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.

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.

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 Statement of Profit and Loss in accordance with the related scheme and in the period in which these are accrued.



ADOR WELDING LIMITED

Note 3 - Share Capital

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised :		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs.10/- each	<u>3,000</u>	<u>3,000</u>
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	<u>1,360</u>	<u>1,360</u>
Total	<u><u>1,360</u></u>	<u><u>1,360</u></u>

Note 3a - 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 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 3b- Shares held by Holding company

Particulars	As at 31st March, 2014 No. of shares	As at 31st March, 2013 No. of shares
Equity Shares		
J.B.Advani & Co. Private Limited	68,00,531	68,00,531

Note 3c- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Shares				
J.B.Advani & Co.Private Limited	<u>68,00,531</u>	<u>50.01</u>	<u>68,00,531</u>	<u>50.01</u>
Reliance Capital Trustee Co. Limited	<u>6,89,182</u>	<u>5.07</u>	<u>6,89,182</u>	<u>5.07</u>
Total	<u><u>74,89,713</u></u>	<u><u>55.08</u></u>	<u><u>74,89,713</u></u>	<u><u>55.08</u></u>



Note 4 - Reserves and Surplus

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
General Reserve		
Balance at the beginning of the year	13,181	12,990
Add: Transfer from Statement of Profit and Loss	42	191
Balance at the end of the year	13,223	13,181
Capital Redemption Reserve Account	223	223
Currency Translation Reserve		
Opening Balance	(14)	-
Add: During the year	(76)	(14)
	(90)	(14)
Surplus as per Statement of Profit and Loss		
Balance at the beginning of the year	3,479	2,937
Add: Net Profit / (Loss) for the year	(511)	1,688
Less: Transfer to General Reserve	(42)	(191)
Less: Proposed Dividend	(680)	(816)
Less: Tax on proposed Dividend @	(116)	(139)
Balance at the end of the year	2,130	3,479
Total	15,486	16,869

@ Dividend proposed to be distributed to equity shareholders is Rs.5/- (Previous year Rs.6/-) per equity share.

Note 5 - Long-Term Borrowings

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured :		
Other	563	495
Unsecured :		
Loan from Banks	77	107
Loan from Others	173	-
Long-term maturities of finance lease obligations	77	140
Total	890	742

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 two equal instalments. One due on December 31, 2016 and another due on December 31, 2017. 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

ADOR WELDING LIMITED

Note 6 - Deferred Tax Liabilities (Net)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability on account of :		
Depreciation	48	59
Capital Expenditure for Scientific Research	80	68
	<u>128</u>	<u>127</u>
Deferred Tax Assets on account of :		
Employee Benefits	67	79
VRS Payments*	-	-
Provision for Doubtful Debts	9	5
	<u>76</u>	<u>84</u>
Net Deferred Tax Liability	Total	
	<u>52</u>	<u>43</u>

* Amount is below the rounding off norm adopted by the Company.

Note 7 - Long-Term Provisions

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits	151	324
Total	<u>151</u>	<u>324</u>

Note 8 - Short-Term Borrowings

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Secured :		
Working Capital Loans from Banks (Refer Note i)	-	-
Working Capital Loans from Banks (Refer Note ii)	842	-
Short Term Loan from others	-	156
Total	<u>842</u>	<u>156</u>

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

(ii) Working capital loan in a subsidiary is secured by Stand by Letter of Credit issued by the Holding Company.



Note 9 - Trade Payables

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	5,438	4,207
Total	5,438	4,207

Note 10 - Other Current Liabilities

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Current maturities of finance lease obligations	63	30
Current maturities of Long-Term Loans	63	41
Employee Benefits Payable	383	205
Statutory dues	362	321
Unclaimed Dividend	132	133
Advances received from Distributors on behalf of customers	546	112
Advances received from customers	383	375
Billing in advance (Refer Note 22)	28	-
Deposits from distributors	128	110
Other current liabilities	142	191
Total	2,230	1,518

Note 11 - Short-Term Provisions

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Excise Duty on Finished Goods Stock	331	358
Provision for Employee Benefits	110	23
Provision for Warranties	71	37
Provision for Standby Letter of Credit [Refer Note 36 (b)]	171	-
Provision for Proposed Dividend	680	816
Provision for Tax on Proposed Dividend	116	139
Provision for Income Tax (Net of advance tax- Rs.832 lacs) (Previous year Rs.736 lacs)	107	32
Provision for Wealth Tax	5	4
Total	1,591	1,409

ADOR WELDING LIMITED

Note 12 - Fixed Assets

(Rupees in lacs)

Particulars	GROSS BLOCK AT COST						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 01.04.2013	Acquisitions	Additions/ Adjustments	Translation Adjustments	Deductions/ Adjustments	As at 31.03.2014	As at 31.03.2013	Acc. Dep on acquisition	For the Year	Translation Adjustments	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets														
Land - Freehold	206	-	-	-	13	193	-	-	-	-	-	-	193	206
Land - Leasehold (a)	48	-	-	-	-	48	-	-	1	-	-	1	47	48
Buildings	6,041	-	115	4	59	6,101	2,606	-	301	1	32	2,876	3,225	3,435
Ownership Premises (b)	323	-	-	-	-	323	172	-	8	-	-	180	143	151
Plant and Machinery	11,857	-	439	2	83	12,215	8,949	-	642	-	74	9,517	2,698	2,908
Electrical Installations	912	-	38	-	16	934	440	-	66	-	7	499	435	472
Furniture and Fixtures	788	-	20	4	52	760	537	-	44	4	40	545	215	251
Office Equipments	189	-	16	13	17	201	94	-	27	14	16	119	82	95
Vehicles	441	-	38	4	95	388	284	-	39	1	80	244	144	157
Temporary Shed	3	-	-	-	-	3	3	-	-	-	-	3	-	-
Leased Assets - Vehicles	213	-	23	-	31	205	43	-	31	-	10	64	141	170
Research and Development Assets :														
Land - Freehold	34	-	-	-	-	34	-	-	-	-	-	-	34	34
Buildings	90	-	37	-	-	127	86	-	1	-	-	87	40	4
Plant and Machinery	932	-	22	-	-	954	736	-	28	-	-	764	190	196
Air Conditioners	2	-	4	-	-	6	1	-	-	-	-	1	5	1
Total	22,079	-	752	27	366	22,492	13,951	-	1,188	20	259	14,900	7,592	8,128
Previous Year Total	20,517	150	1,673	2	263	22,079	12,837	113	1,228	1	228	13,951	8,128	
Intangible Assets														
Computer Software	283	-	165	-	-	448	265	-	40	-	-	305	143	18
Total	283	-	165	-	-	448	265	-	40	-	-	305	143	18
Previous Year Total	276	-	7	-	-	283	255	-	10	-	-	265	18	

(a) Leasehold Land includes Land Rs.39 lacs (Net of amortisation Rs.38 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.

Note 13 - Non-Current Investments (At Cost) (Unquoted)

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
i) 6 Years National Savings Certificates *	-	-
ii) RECL Bonds (Non-Convertible Redeemable Taxable Bonds) - Series- VIII	-	50
iii) RECL Tax Free Secured Redeemable Non-Convertible Bonds	184	184
Total	184	234

* Amount is below the rounding off norm adopted by the Company.

Note 14 - Long-Term Loans and Advances

Unsecured, considered good (unless otherwise stated)

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advance income tax (Net of provisions - Rs. 2,521 lacs) (Previous Year Rs. 1,752 lacs)	127	103
Sundry Deposits	144	138
Loans to Employees	4	9
Capital Advances	486	56
Prepaid Expenses *	1	-
Total	762	306

* Amount is below the rounding off norm adopted by the Company.



Note 15 - Other Non-Current Assets

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Fixed Deposits for bank guarantees	59	57
Deposits with Banks with maturity of more than twelve months	-	5
VAT and Sales tax receivables	1,393	1,131
Others	20	1
Total	1,472	1,194

Note 16 - Current Investments (Quoted) - (At lower of Cost and Fair Value)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Non-Trade Short-Term Investments		
In Mutual Funds	1,191	2,478
Total	1,191	2,478
Aggregate value of Quoted Investments	1,253	2,597

**Note 17 - Inventories
(At Cost or Net Realisable Value, whichever is lower)**

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
1) Raw Materials and Components and Packing Material (includes in transit Rs. 20 lacs; Previous year Rs. 21 lacs)	1,825	1,549
2) Work-in-Progress	973	672
3) Finished Goods (Includes in transit Rs. Nil, Previous year Rs. 8 lacs)	1,976	1,870
4) Stock-in-trade	114	82
5) Stores, Spares, Parts, etc.	266	292
Total	5,154	4,465

Note 18 - Trade Receivables

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Trade Receivables outstanding for less than six months from the date they are due for payment		
Secured, considered good	635	-
Unsecured, considered good	5,973	6,714
Unsecured, considered doubtful	-	-
Less : Provision for doubtful debts	-	-
	6,608	6,714
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good*	1,220	552
Unsecured, considered doubtful	29	17
Less : Provision for doubtful debts	(29)	(17)
	1,220	552
Total	7,828	7,266

* Includes an amount of Rs.340 lacs (Previous year Rs. 176 lacs) on account of retention money of Project Engineering Business

Note 19 - Cash and Bank Balances

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents:		
i) Cash on hand	2	15
ii) Balances with Banks in Current Accounts	2,030	321
	2,032	336
Other Bank Balances:		
i) Earmarked Balances with Banks (Dividend accounts)	132	133
ii) Term deposits with maturity of more than three months and less than twelve months	6	5
	138	138
Total	2,170	474



Note 20 - Short-Term Loans and Advances
(Unsecured, considered good unless otherwise stated)

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances to Employees	23	25
Loans and Advance to Related Parties	7	6
Balances with Central Excise, Customs and Port Trust	10	7
Sundry Deposits	3	6
Advance to suppliers	309	222
Others	207	105
Total	559	371

Note 21 - Other Current Assets

Particulars	(Rupees in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Export Incentive Receivable	181	130
Receivable from Holding Company	398	-
Grant Receivable from Government	30	29
Forward Exchange Difference Receivable	10	2
Unbilled Revenue on contracts (Refer Note 22)	101	-
Others Receivables *	89	131
Total	809	292

* includes Rs. 24 lacs (Previous year Rs. Nil) due from the Whole-time Director being excess remuneration paid (since recovered)

Note 22 - Revenue from Operations (Gross)

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products and Services		
Sale of Manufactured Products / Services	40,804	39,912
Traded Goods	14	273
Other Operating Revenue	144	94
Total	40,962	40,279

ADOR WELDING LIMITED

Note 22 - Revenue From Operations (Gross) (Contd.)

Disclosure pursuant to AS 7 (Revised) - Construction Contracts

(Rupees in lacs)

	Year ended 31st March, 2014	Year ended 31st March, 2013
I Contract revenue recognised for the year	2,680	-
II Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	1,424	-
III Amount of customer advances outstanding for contracts in progress	58	-
IV Amount of retentions due from customers for contracts in progress	340	-
V Amount due from customers (Refer Note 21)	101	-
VI Amount due to customers (Refer Note 10)	28	-

During the previous year, there were no revenues to be recognised under the percentage of completion method.

Note 23 - Other Income

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest received on Government Securities	15	19
Interest received from Banks and Others	7	9
Surplus on sale of investments	142	134
Refund of Sales tax on Assessment	-	3
Income from Mutual Funds	-	21
Rent Received	53	25
Royalty received	4	5
Foreign currency fluctuation gain (net)	190	109
Miscellaneous Income	29	56
Total	440	381

Note 24 - Cost of Materials Consumed

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Stock (excluding in transit)	1,528	2,158
Add: Purchases during the year	24,829	22,631
Add: On acquisition of a Subsidiary	-	72
Less: Closing Stock (excluding in transit)	(1,805)	(1,528)
Total	24,552	23,333



Note 25 - Details of Purchase of Stock-in-trade

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Welding products and Accessories	479	188
Total	479	188

Note 26 - Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Opening Stock		
Finished Goods	1,862	1,977
Stock-in-trade	82	97
Work-in-Progress	672	719
	<u>2,616</u>	<u>2,793</u>
Add : On acquisition of a subsidiary		
Finished Goods	-	52
Work-in-Progress	-	3
	<u>-</u>	<u>55</u>
Closing Stock		
Finished Goods	1,976	1,862
Stock-in-trade	114	82
Work-in-Progress	973	672
	<u>3,063</u>	<u>2,616</u>
Add / (Less) Variation in Excise Duty on opening and closing stock of finished goods	(26)	15
Total	(473)	247

Note 27 - Employee Benefits Expense

Particulars	(Rupees in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries and incentives * (net of Grant received from Government Rs.46 lacs; Previous year Rs. Nil)	3,497	3,107
Contribution to Provident and other funds (net of reversal of liabilities)	98	228
Staff Welfare expenses	389	413
Total	3,984	3,748

* The Company has, during the year, changed its policy relating to compensated absences and accordingly re-estimated its liability as at 31st March, 2014. As a result, provision for compensated absences amounting to Rs. 108 lacs has been written back and adjusted to 'Employee Benefits Expense'.

Note 28 - Finance Costs

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expense	113	46
Other Borrowing costs	96	52
Total	209	98

Note 29 - Other Expenses

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing and other expenses - (Refer Note 30)	2,224	2,361
Electricity and Power expenses	27	27
Rent	194	106
Freight	355	295
Legal and Professional fees	596	128
Insurance	34	24
Repairs and Maintenance - others	126	151
Travelling, conveyance and vehicle expenses	971	911
Directors Fees	6	6
Telephone, Postage & Telegram	188	206
Rates and Taxes - Office	74	67
Advertisement and Sales Promotion expenses	92	138
Commission paid	18	31
Bad Debts Written off (net of reversal of provision for doubtful debts Rs. 17 lacs; Previous year Rs. Nil)	22	12
Provision for Doubtful Debts	29	15
Loss on sale of Fixed Assets (net)	2	3
Assets written off / discarded	3	5
Printing and stationery	49	59
Miscellaneous Expenses	898	1,034
Total	5,908	5,579

Note 30 - Manufacturing and Other Expenses

(Rupees in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Consumption of Stores and spares	680	717
Power and Fuel	854	906
Repairs to Machinery	98	119
Repairs to Building	7	9
Other Manufacturing expenses	585	610
Total	2,224	2,361



Note 31 - Computation of Profit / (Loss) for Earnings Per Share

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(Loss) / Profit for the year after tax (Rupees in lacs)	(511)	1,688
Weighted average number of shares outstanding	1,35,98,467	1,35,98,467
Basic and Diluted Earnings per share (Rs.)	(3.76)	12.41

Note 32 - Contingent Liabilities not provided for

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Disputed Sales Tax as the matters are in appeal (advance paid Rs. 27 lacs; Previous Year Rs. 9 Lacs)	331	68
b) Disputed Excise duties as the matters are in appeal (advance paid Rs. 2 lacs; Previous Year Rs. 2 Lacs)	123	115
c) On account of bills discounted by the Company	222	130
d) Bonds / Undertakings given by the Company under Concessional duty / exemption scheme / Waiver of penalty to Customs Authorities.	90	110
e) Standby Letter of Credit issued to Bank Hapoalim Ltd. / HDFC Bank Ltd. - Hongkong for loans drawn / to be drawn by a subsidiary	73	187
f) Other matters	117	83

Note 33 - Commitments

(Rupees in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) On Capital Account - Capital Contracts not provided for (Net of advances)	582	422
b) Others - Subsidiary Obligations to pay royalties on future sales against research grant received. (Maximum amount payable)	1,109	1,324

Note 34 - Segment Information
A) Business Segment

(Rupees in lacs)

Particulars	Consumables		Equipments & PEB		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External Revenue	27,562	28,215	9,621	8,280	37,183	36,495
Inter Segment Revenue	-	-	-	-	-	-
Total Revenue	27,562	28,215	9,621	8,280	37,183	36,495
Segment Result before Interest and tax	3,062	3,116	(9)	588	3,053	3,704
(Less) :						
Unallocable expenses (Net of unallocable income)					(1,108)	(1,161)
Finance costs					(209)	(98)
Excess / (Short) Provision of Taxes in respect of earlier years (net)					(2)	-
Exceptional Items					(1,296)	-
Provision for taxes (Net of Deferred Tax)					(949)	(757)
Net Profit / (Loss)					(511)	1,688
Segment Assets	12,504	13,989	9,695	7,870	22,199	21,859
Unallocated Assets					5,841	4,769
Total Assets					28,040	26,628
Segment Liabilities	3,582	3,252	4,841	2,760	8,423	6,012
Unallocated Liabilities					2,771	2,387
Total Liabilities					11,194	8,399
Capital Expenditure						
Segment Capital Expenditure	377	427	532	1,587	909	2,014
Unallocated Capital Expenditure					141	871
Total Capital Expenditure (Tangible and Intangible Assets)					1,050	2,884
Depreciation and Amortisation						
Segment Depreciation and Amortisation	766	837	314	283	1,080	1,120
Unallocated Depreciation and Amortisation					148	118
Total Depreciation and Amortisation					1,228	1,238
Significant Non-Cash Expenditure						
Segment Significant Non-Cash Expenditure	-	5	-	-	-	5
Unallocated Significant Non-Cash Expenditure	-	-	-	-	3	-
Total Significant Non-Cash Expenditure	-	5	-	-	3	5



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	31,995	31,766	5,188	4,729	37,183	36,495
Carrying Amount of Segment Assets	20,947	19,045	1,252	2,814	22,199	21,859
Additions to Fixed Assets (Tangible and Intangible Assets)	863	632	46	1,382	909	2,014

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 35 - Related Parties Disclosure

A) Relationships:

Relationships	Name of the Person / Company
a) Holding Company	J. B. Advani & Co. Private Ltd
b) Companies in which Holding Company has 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 Private. Ltd. (Upto Oct-2012)
d) Key Management Personnel	Ms. A. B. Advani. Mr. Raman Kumar. (Upto May-2012) Mr. S.M.Bhat (From May-2012)
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.

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B) Transactions

(Rupees in lacs)

Relationship / Name of the related party	Description of the nature of transactions	Value of the transactions	
		Year ended 31 st March 2014	Year ended 31 st March 2013
a) Holding Company			
J B Advani & Company Private Limited	Sale of goods	14	35
	Purchase of goods	1,147	1,014
	Rent Received	25	-
	Reimbursement of Expenses	6	29
	Sale of Assets	550	-
	Recovery of Expenses	20	17
	Outstanding Receivable	6	13
	Other Receivable	398	-
	Outstanding Payable	110	197
b) Companies in which Holding Company has Significant Influence and its Associates			
i) Ador Fontech Limited	Outstanding Receivable	2	42
	Purchase of goods	3	1
	Recovery of Expenses	3	8
	Reimbursement of Expenses	15	19
	Rent Received	10	4
	Royalty Received	3	3
	Sale of goods	253	380
	Short-Term Loans / Advances	3	-
ii) Ador Multiproducts Limited	Outstanding Receivable	13	16
	Purchase of goods	1	1
	Recovery of Expenses	2	1
	Royalty Received *	-	-
	Sale of goods	244	474
	Short-Term Loans / Advances	2	-
iii) Ador Powertron Limited	Outstanding Payable *	-	1
	Outstanding Receivable	16	5
	Purchase of Fixed Assets	6	73
	Purchase of goods	4	3
	Recovery of Expenses	2	6
	Rent Received	2	3
	Royalty Received	1	2
	Sale of goods	16	20
	Short-Term Loans / Advances	2	-

* Amounts have been rounded as per norms of the Company



Transactions (Contd.)

(Rupees in lacs)

Relationship / Name of the related party	Description of the nature of transactions	Value of the transactions	
		Year ended 31 st March 2014	Year ended 31 st March 2013
c) Other Related Parties where significant influence exists			
Cryolor Asia Pacific Private Limited	Sale of goods	-	8
	Outstanding Receivable	-	8
d) Key Management Personnel			
Ms. A B Advani	Remuneration	94	125
	Other Receivable	24	-
Mr. Raman Kumar	Remuneration	-	14
Mr. S.M.Bhat	Remuneration	94	86
Non-Executive Directors	Commission	11	32

Note:

The Company has issued Standby Letter of Credit to Bank Hapoalim Ltd. and HDFC Bank Ltd. - Hongkong for Rs. 1,127 lacs (Previous year Rs. 187 Lacs) towards security for loans drawn/to be drawn by M/s. Plasma Laser Technologies Ltd.

Note 36 - Exceptional Items

a) Goodwill on Consolidation:

Plasma Laser Technologies Ltd. (PLT) has incurred losses since the date of acquisition and the accumulated losses as at 31st March 2014 exceeded its net worth. The Company has evaluated its investment for the purpose of determination of potential diminution in value and based on such evaluation and considering the underlying factors including downturn in business and decrease in related activities, has impaired the amount of Goodwill on consolidation as at 31st March 2014 amounting to Rs. 1,628 Lacs.(Previous Year Rs.Nil)

b) The Company has also provided for the net Standby Letter of Credit (SBLC) outstanding of Rs. 171 Lacs issued in favour of Plasma Laser Technologies Ltd.

c) Surplus on sale of property of Rs. 503 Lacs [Refer Note 35B (a)].

Note 37 - Employee Benefits

a) An amount of Rs.113 Lacs (Previous Year Rs. 130 Lacs) towards defined contribution plans is recognised as expense in the Statement of Profit and Loss.

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:

(Rupees in lacs)

Particulars	2013-14	2012-13
Change in present value of obligation		
Obligation at beginning of the year	302	328
Current Service Cost	31	30
Interest Cost	24	29

Note 37 - Employee Benefits (Contd.)

Particulars	(Rupees in lacs)	
	2013-14	2012-13
Actuarial (gain) / loss	(39)	8
Benefits paid	(41)	(93)
Obligation at the end of the year	277	302
Change in Plan assets		
Fair value of Plan assets at beginning of the year	235	282
Expected return on plan assets	17	22
Actuarial gain / (loss)	6	(22)
Contributions	15	47
Benefits paid	(41)	(94)
Fair value of plan assets at the end of the year	232	235
Reconciliation of present value of the obligation and the fair value of plan assets and amount recognized in the balance sheet:		
Present value of the defined benefit obligation at the end of the year	277	302
Fair value of plan assets at the end of the year	(232)	(235)
Net liability / (Asset) recognized in the balance sheet	45	67
Gratuity cost recognized for the year:		
Current Service cost	31	30
Interest cost	24	29
Expected return on plan assets	(17)	(22)
Actuarial (gain) / loss	(45)	30
Net gratuity cost	(7)	67
Break-up of Plan Assets at the end of the year		
Insurer Managed Funds	100%	100%
Assumptions:		
Discount rate (p.a.)	9.20%	7.85%
Estimated rate of return on plan assets (p.a.)	7.50%	7.50%
Rate of growth in salary levels* (p.a.)	8.00%	8.00%
The estimated contribution to be paid to the plan during the annual period begins after the balance sheet date is Rs. 50 Lacs (Prevoius year Rs. 50 Lacs)		

* 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:

Particulars	(Rupees in lacs)	
	2013-14	2012-13
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	975	842
Current Service Cost	45	46
Interest Cost	75	68
Actuarial (gain) / loss	20	94
Employees contribution	77	80
Liabilities assumed on Acquisition / (settled on Divestiture)	22	51
Benefits paid	(131)	(206)
Closing Defined Benefit Obligation	1,083	975
Change in Fair Value of Assets		
Opening Fair value of Plan assets	942	821
Expected return on plan assets	71	60
Actuarial gain / (loss)	50	90
Employer contributions during the period	45	46
Employee contributions during the period	77	80
Assets acquired on Acquisition / (distributed on Divestiture)	22	51
Benefits paid	(131)	(206)
Closing Fair value of Plan Assets	1,076	942
Reconciliation of present value of the obligation and the fair value of plan assets and amount recognized in the balance sheet:		
Present value of the defined benefit obligation at the end of the year	1,083	975
Fair value of plan assets at the end of the year	(1,076)	(942)
Net liability / (Asset) recognized in the balance sheet	7	33

Particulars	2013-14	2012-13
Break-up of Plan Assets at the end of the year		
Government of India Securities	26%	25%
Corporate Bonds	31%	33%
Special Deposit Schemes	26%	30%
Equity shares of Listed companies	10%	10%
Others	6%	3%
Assumptions:		
Discount rate	9.20%	7.85%
Expected rate of return on assets	8.24%	7.53%
Discount rate for the remaining term to maturity of the investment	9.18%	7.94%
Average historic yield on the investment	8.22%	7.62%
Guaranteed rate of return	8.75%	8.50%

Note 38 - Lease arrangements - Operating Lease

The Company's significant leasing arrangements are in respect of residential flats and office premises taken on cancellable lease. The aggregate amount of operating lease rent debited to Statement of Profit and Loss during the year is Rs 194 Lacs (Previous year. Rs 106 Lacs)

Note 39 - Lease Obligation - Finance Lease

Net carrying amount of carrying assets as at Balance Sheet date – Rs. 141 Lacs
(Previous year Rs. 170 Lacs)

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

(Rupees in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Minimum lease rentals payable as on Balance Sheet date	124	183
Present value of Minimum lease rentals payable	102	163



(Rupees in lacs)

Particulars	Minimum Lease Payment		Present Value of Minimum Lease Payments	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Amount due within one year	63	73	56	65
Amount due from one year to five years	61	110	46	98
Amount due from five years and above	-	-	-	-
Total	124	183	102	163

Note 40 - Amounts below Rs. 0.50 lac have been rounded off as per rounding off norms of the Company.

Note 41 - The Figures for the previous year are regrouped / re-arranged, wherever necessary.

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**

S.M.Hede
Chief Financial Officer

S.M.Bhat
Managing Director

Mumbai, 20th May, 2014

Mumbai, 20th May, 2014

Information on Subsidiary Companies

(As directed by Central Government Order 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	66	1	0
2.	Reserves	(101)	(2,092)	(686)	(81)
3.	Total Assets	183	404	13	20
4.	Total Liabilities	274	2,431	698	101
5.	Investments	Nil	Nil-	Nil	Nil
6.	Turnover & Other Income	78	228	164	-
7.	Profit / (Loss) before taxation	(66)	(1,054)	(15)	(15)
8.	Provision for Tax	(2)	-	-	-
9.	Profit / (Loss) after taxation	(68)	(1,054)	(17)	(15)
10.	Proposed Dividend	Nil	Nil	Nil	Nil

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, 2014	100%	67.55%	100%	94.73%
Shares held by the Holding Company in the subsidiary (Nos.)	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. (Rs. in lacs)	(66)	(712)	(15)	(15)
a) Dealt with or provided for in the accounts of the Holding Company (Rs. in lacs)	(66)	(712)	(15)	(15)
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, 2014, New Israeli Shekel = Rs.17.06

b) Item Nos. 6 to 10 are translated at average exchange rate, New Israeli Shekel = Rs.15.97

Table B

Net aggregate profit or loss of foreign subsidiaries are translated at average exchange rate, New Israeli Shekel = Rs.15.97



ADOR WELDING ACADEMY

A-108, H Block, MIDC, Pimpri, Pune - 411 018. Maharashtra, INDIA. Telefax: (020) 4070 6300

Ador Welding Academy, during the FY 2013-14, enlarged its customer base as well as expanded its product portfolio. Under its MOU with General Electric (GE) of USA, it has started creating a pipe-line for skilled welders under the AWS 17.1 qualification. Fresh Diploma engineers are put through a 16 week intensive training program and are assessed for competencies to execute SS / Nickalloy thin sheet / tube welding for the aviation sector. The quality and adequacy of this program has been vetted by GE, US based welding experts. GE, Pune proposes to employ about 60 skilled welders at their upcoming plant in Chakan, Pune. Our MOU with them also includes training their select welders for IBR qualification; their supervisory team is also educated on welding fundamentals.

The Academy also continues to execute their long-term contract with the BARTI Institute at Pune to train and assist in employment of young SC/ST candidates, as welding technicians. In both these contracts, girls encouraged to go for welding careers- a total of 18 girls have so far been trained at the academy and all of them have been gainfully employed.

The Academy trained 30 young welders from unprivileged sector of society with sponsorship from Association of Welding Products Manufacturer (AWPM) during the FY 2013-14 at its facility at Raipur & Pune. Most of these welders were employed in the industry immediately after training.



The academy launched quite a few "education" programs for graduate engineers in various engineering enterprises, from design, production and quality divisions. The contents are designed to provide the trainees a good insight into the subject of welding that can widen their comprehension and enrich their participation / performance in their respective disciplines.

The Product portfolio was expanded to include programs that provide improved learning effectiveness through the use of relevant technologies. The introduction of welding simulator and digital content in the curriculum brought excitement amongst the candidates and the institutes. The EASEWELD module on GMAW Basic skills was accepted and hosted on the NSDC Innovation portal as a unique offering under welding skills. CLICK on the following link for more information:

<http://innovation.nsdcindia.org/Pages/FindInnovationProfiles.aspx>

Enquiries for knowledge partnership, from entrepreneurs for setting up welding skill development centres are being received from various entities- NSDC partners, NGOs, Institutes and Training providers. The Academy is looking forward to quite a few of these materialising into excellent centres that will meet the employability standards as well as have the best training resources.



WELDERS TO THE NATION SINCE 1951
ADOR WELDING LIMITED

(Formerly Known as Advani-Oerlikon Ltd.)

www.adorwelding.com



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

Coimbatore

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

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

Mumbai

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

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

Delhi

C-116, Naraina Industrial Area,
Phase 1, New Delhi - 110 028
INDIA
Tel: (011) 4141 1049, 4141 1106
4557 8099, 4330 4333
Fax: (011) 2579 5529

Jaipur

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

Pune

Akurdi Village, Chinchwad,
Pune - 411 019
Maharashtra, INDIA.
Tel.: (020) 4070 6000
Fax: (020) 4070 6001

Chennai

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

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

Kolkata

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

Raipur

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

OVERSEAS OFFICE

Sharjah

Sharjah Airport International
Free Zone (SAIF Zone) : Q3-216,
P.O. Box No.: 120025,
Sharjah, U.A.E.
Tel.: (00971) 6557 8601
Fax: (00971) 6557 8602
Email: exports@adorians.com



WELDERS TO THE NATION SINCE 1951
ADOR WELDING LIMITED

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CIN: L70100MH1951PLC008647

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