



AHURA WELDING ELECTRODE MANUFACTURERS LIMITED

Annual Report 1999 - 2000

**AHURA WELDING ELECTRODE
MANUFACTURERS LIMITED**

36th Annual Report
1 9 9 9 - 2 0 0 0

BOARD OF DIRECTORS

Mr. P.M.Patel – Executive Chairman
Mrs. J.P.Patel – Vice Chairman
Mr. Ushir P.Patel – Managing Director
Mr. Poorab S. Shah

REGISTERED OFFICE & FACTORY

S.F.NO. 139 & 144/3, Thirumalayampalayam,
Coimbatore-Palghat Road,
Coimbatore – 641 105.

BRANCH FACTORY

Plot No.58, South Phase,
11th South Road,
Ambattur Industrial Estate,
Chennai – 600 058.

AUDITORS

M/s. K.S.G.Subramanyam & Co.,
Chartered Accountants,
II Floor, United Shopping Complex,
94/36, Dr.Nanjappa Road,
Coimbatore – 641 018.

BANKERS

IDBI Bank Ltd.,
Coimbatore.



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NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL METTING

Notice is hereby given that the Thirty-Sixth Annual General Meeting of the Company will be held on Monday the 23rd October 2000 at 10.00 a.m. at the Registered Office of the company at S.F. 139 & 144/3, Thirumalayampalayam, Coimbatore – Palghat Road, Coimbatore – 641 105 to consider the following Agenda. You are requested to attend the meeting.

AGENDA

ORDINARY BUSINESS :

1. To receive, approve and adopt the Audited Accounts of the Company for the year ended 31st March 2000 together with the Report of the Board of Directors and the Auditors.
2. To appoint a Director in the place of Mr. Poorab S.Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditor(s) to hold office from the close of the ensuing Annual General Meeting till the close of the next Annual General Meeting and to fix their remuneration . The retiring Auditors M/s. K.S.G.Subramanyam & Co., are eligible for re-appointment.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED that consent of the Company be and is hereby accorded under Section 293 (1) (a) and other applicable provisions. If any, of the Companies Act, 1956 to the Board of Directors of the Company to hive of , sell or lease any division or assets of the company or any part of its undertaking, whether immovable or movable and whether land, building, plant and machinery or infrastructure or appurtenances to the best advantage of the company and on such terms and conditions as the Board of Directors deem fit”.

By Order of the Board
for Ahura Welding Electrode Manufacturers Limited

Place : Coimbatore
Date : 30th August 2000

(Sd) P.M.Patel
Executive Chairman

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Since the company has been incurring losses resulting in erosion of working capital which in turn has affected the core business activity of the Company and since the operation of the plant at Chennai has been suspended It is considered advisable to hive of , sell or lease some of the assets of the company with a view to utilise the proceeds of sale to reduce liabilities of the company and augment working capital of the company. To enable the Directors to take steps in the matter consent of the General Meeting is required under section 293(1) (a) of the Companies Act 1956. In the circumstances, the necessary Resolution is proposed for consideration of the General Meeting. No Director of the company is concerned or interested in the Resolution proposed.

By Order of the Board
for Ahura Welding Electrode Manufacturers Limited

Place : Coimbatore

Date : 30th August 2000

(Sd) **P.M.Patel**
Executive Chairman

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the Audited Accounts of your company for the year ended 31st March 2000.

| | Year ended 31st March 2000 (Rs. in lacs) | Year ended 31st March 1999 (Rs. in lacs) |
|---|--|--|
| FINANCIAL RESULTS | | |
| INCOME / LOSS | | |
| Operating profit / loss before depreciation and tax | (-) 88.44 | (-) 51.04 |
| Add : Depreciation | 32.20 | 31.63 |
| Operating Profit / Loss | (-)120.64 | (-) 82.67 |
| Add : Profit / (-) Loss on sale of Assets | (-) 1.85 | 0.48 |
| Profit / Loss after tax | (-)122.49 | (-) 82.19 |
| Add : Prior year expenses / adjustments | (-) 29.81 | (-) 17.03 |
| | (152.30) | (99.22) |
| APPROPRIATION | | |
| Balance as per last Balance Sheet | (111.49) | (12.27) |
| Balance Carried forward | (263.79) | (111.49) |

PERFORMANCE OF THE COMPANY :

The Performance of the Company was affected by workers strike in Nov and Dec.99 which immediately followed the truckers strike in late Oct.99. This severely affected the financial position of the company.

The Board of Directors decided that owing to continuing losses incurred by Chennai Unit, it would be prudent to suspend production and thereby reduce the overheads of the company. The Chennai unit ceased operation from January 2000. Subsequently the staff members tendered their resignations and discussions are on going with the workers to settle their dues.

Steps are also being taken to reduce overheads in the Coimbatore Unit by accepting resignations from some of the workers and some of the staff.

With reduced overheads the Management feels that the year 2000-2001 should result in better performance of the company.

DIVIDEND

Your Directors regret to inform that there is no dividend declared for the year.

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The company is proud to be associated with the scientists of IGCAR, Kalpakkam to develop an import substitution product.

The company is also undertaking major R&D work to develop extra low moisture Low Hydrogen Iron Powder Electrode which can be used in very critical applications.

PERSONNEL

Even though the company suffered strike by the workers in late 1999 the company has gone out of the way to create a cordial atmosphere with all the employees of the company and it is grateful for the reciprocity from workers and staff.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO.

The required particulars are furnished in the annexure to this report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep appreciation for the valuable contribution made by the employees at all levels, Dealers and Suppliers in the progress of the company during the year 1999-2000. The Directors also express their gratitude for the assistance and support extended to your company by IDBI Bank Ltd.,

On Behalf of the Board
for Ahura Welding Electrode Manufacturers Limited

Place : Coimbatore
Date : 30th August 2000

(Sd) **P.M.Patel**
Executive Chairman

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ANNEXURE
Form A (See Rule 2)
Form of Disclosure of Particulars with respect to conservation of energy.
1999 - 2000
1998 - 99
A. POWER AND FUEL CONSUMPTION
Electricity :

| | | |
|-----------------------------------|--------|--------|
| a) Purchased | | |
| Units | 929098 | 798816 |
| Total amount (Rs. in lacs) | 44.06 | 39.11 |
| Rate/Unit(Rs) | 4.74 | 4.89 |
| b) Own Generation | | |
| Units | 34098 | 62096 |
| Total amount (Rs. in lacs) | 3.22 | 3.59 |
| Rate per Unit | 9.44 | 5.74 |
| 2. Coal and Leco used | — | — |
| 3. Furnace Oil used (Rs. in lacs) | — | — |
| 4. Others/internal Generation | — | — |

B. CONSUMPTION PER UNIT OF PRODUCTION (Per mrm*)

| | | |
|----------------|-------|-------|
| a) Electricity | 27854 | 25070 |
|----------------|-------|-------|

Form B (See Rule 2)
Form of Disclosure of Particulars with respect to absorption
RESEARCH AND DEVELOPMENT (R&D)

- | | |
|--|---|
| 1. Specific Areas in which R & D is carried out by the company | The Company is in the process of developing special types of electrodes for critical applications and the same is under consideration for approval. |
| 2. Benefit derived as a result of the above R & D | Benefit will accrue to the Company when customer places order for the electrodes |
| 3. Expenditure on R & D (Rs. in lacs) | 0.15 |

*mrm - million running metres