

AHURA WELDING ELECTRODE MANUFACTURERS LIMITED

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40th Annual Report

2003 - 2004

Ahura Welding Electrode Manufacturers Limited



40th Annual Report 2003-2004

BOARD OF DIRECTORS

Mr.C.Lakshmanan	Chairman
Mr.L.Ramanathan	Managing Director
Mr.Krishnasampath	Whole Time Director(Operations)
Mr.R.M.Sethu	Director
Mrs.Sukanya Sampath	Director
Mr.K.Ashok	Director
Mr.Harshad R.Patel	Director

REGISTERED OFFICE & FACTORY

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

BRANCH FACTORY

Plot No: 58, South phase,
11 th South road,
Ambattur Industrial Estate,
Chennai 600 058.

AUDITORS

S.P.Anandakumar & Co.,
Chartered Accountants,
11- C, Masthiammal Layout,
Sivananda colony,
Coimbatore 641 012.

BANKERS

IDBI Bank Ltd.,
Coimbatore.

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NOTICE OF THE FORTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Fortieth Annual General Meeting will be held on Friday the 31st day of December 2004 at 4.00 pm at the Registered Office of the company situated at S.F.139 & 144/3. Thirumalayampalayam, Coimbatore Palghat Main 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 Twelve Months Period ended 31st March 2004 together with the Report of the Board of Directors and the Auditors.
2. 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 S.P.Anadakumar & Co., are eligible for Re-Appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification the following as an Ordinary resolution.

Resolved that Mr.C.Lakshmanan, who was co-opted as an additional Director on the Board as per Article 25 of the Articles of Association and who holds office till the conclusion of the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company.

4. To consider and if thought fit, to pass with or without modification the following as an Ordinary resolution.

Resolved that Mr.L.Ramanathan who was co-opted as an additional Director on the Board as per Article 25 of the Articles of Association and who holds office till the conclusion of the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company.

5. To consider and if thought fit, to pass with or without modification the following as an Ordinary resolution.

Resolved that Mr.RM.Sethu who was co-opted as an additional Director on the Board as per Article 25 of the Articles of Association and who holds office till the conclusion of the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company.

Certified True Copy.
For Ahura Welding Electrode Manufacturers Limited

[Signature]
Director (Operations)

By Order of the Board
For Ahura Welding Electrode Manufacturers Limited

(Sd) C.Lakshmanan

Chairman

Place: Coimbatore
Date: 08.12.2004

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT

In respect of item No.3

Mr. C.Lakshmanan was co-opted as an additional Director of the Company with effect from 23rd February, 2004. He holds office upto the conclusion of the ensuing annual general meeting

A notice proposing Mr. C.Lakshmanan as a Director has been received from a shareholder along with a deposit of Rs.500 as required under Section 257 of the Companies Act., 1956. Mr. C.Lakshmanan has given his consent to act as a Director, if so appointed.

The necessary resolution is placed before you for your approval.

In respect of item No.4

Mr.L.Ramanathan was co-opted as an additional Director of the Company with effect from 23rd February, 2004. He holds office upto the conclusion of the ensuing annual general meeting.

A notice proposing Mr.L.Ramanathan, as a Director has been received from a shareholder along with a deposit of Rs.500 as required under Section 257 of the Companies Act., 1956. Mr.L.Ramanathan has given his consent to act as a Director, if so appointed.

The necessary resolution is placed before you for your approval.

In respect of item No.5

Mr.RM.Sethu was co-opted as an additional Director of the Company with effect from 23rd February, 2004. He holds office upto the conclusion of the ensuing annual general meeting.

A notice proposing Mr.RM.Sethu, as a Director has been received from a shareholder along with a deposit of Rs.500 as required under Section 257 of the Companies Act., 1956. Mr. RM.Sethu has given his consent to act as a Director, if so appointed.

The necessary resolution is placed before you for your approval.

By Order of the Board
For Ahura Welding Electrode Manufacturers Limited

(Sd)C.Lakshmanan

Chairman

Place: Coimbatore
Date : 08.12.2004

Note:

i) A member entitled to attend and vote is entitled to appoint a Proxy to attend and on a poll to vote on his behalf. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.

ii) The Register of members and the Share Transfer Books of the company will remain closed from 29th December 2004 to 31st December 2004.(both days inclusive)

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DIRECTORS REPORT TO THE SHAREHOLDERS:

Your directors present their Report together with the Audited Accounts of your company for the Twelve Months Period ended 31st March 2004.

2003 -2004 (12 Months)	2002-2003 (12 Months)
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FINANCIAL RESULTS:

Operating Profit/Loss (-) Before Depreciation and tax	-	-
Add: Depreciation	-	-
Operating profit/Loss	-	-
Add: Profit/Loss (-) on sale of assets	-	-
Profit/Loss after tax	-	-
Add: Prior year expenses/adjustments	-	-
Surplus on Revaluation of Fixed assets	-	-
Net surplus	-	-

APPROPRIATION:

Coimbatore Factory Rs.68,80,700/- outstanding for workers settlement. In Madras factory Rs.25,00,000/- outstanding for workers settlement. Retrenchment notice was sent to all workers calculating their salary, gratuity, and others. Provision to this effect has not been made in books of accounts. Out of this, Rs.6,53,814/- paid to Coimbatore Factory workers settlement during the year 2003-2004

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PERFORMANCE OF THE COMPANY :

The company was closed on 17.10.2001 due to severe liquidity crunch and steps are being taken to re-open the company.

Steel Authority Of India Limited :-

Steel Authority India Limited Claimed a sum of Rs.2,42,21,173/- from Company under orders of Winding up issued by High court Chennai Dated 25.04.2003 in CP No:12/2003 The company compromised with SAIL, and the total principal settlement was arrived at Rs.85,00,000/- to be paid Immediately and Rs.15,00,000/- towards Interest to be paid at the rate of 1,00,000/- Per month from July 2004. The winding up order was withdrawn by SAIL, the Petitioner, under a Memo of compromise. Accordingly Rs.35,00,000/- has been paid as on 31.03.2004 by the company.

Provident Fund Arrears:

In addition to sealing the company, the Raheja property was also sealed by Provident Fund Department for their Arrears of Rs.7,14,462/- on 06.09.2002. On subsequent negotiations with the Department the outstanding amount was completely paid off by deferred payment to the PF Department and release Order has been obtained. During the said period Rs 1,00,000/- was paid vide payorder No:133184 and Rs.72146/- vide Payorder No:133232 on 19.03.2004. Balance amount of Rs.5,42,316/- was Discharged subsequently.

Upasana Finance:-

A suit was filed by Upasana Finance in Metropolitan Magistrate Court, Saidapet Chennai vide 945/2001 against the Board of Directors for their claim of Rs.1,92,536/- The Suit was withdrawn by the Upasana finance on receiving a one time payment on a Discounted settlement.

Workers Settlement:-

The company was closed on 17.10.2001 and as on date the outstanding amount as certified by the Board of Directors, in Coimbatore Factory is Rs.68,80,700/- outstanding for workers settlement. In Madras factory Rs.25,00,000/- is outstanding for workers settlement. Retrenchment notice was sent to all workers calculating their salary, gratuity, and others. Provision to this effect has not been made in books of accounts. Out of this, Rs.6,53,814/- paid to Coimbatore Factory workers settlement during the year 2003-2004

DIVIDEND:

In the absence of profits, your Directors are unable to consider any dividend for the year

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

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

DIRECTORS:

The following Directors being co-opted during the year retire at this meeting and are re eligible for appointment

Mr.C.Lakshmanan
Mr.L.Ramanathan
Mr.R.M.Sethu

DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors Confirm that

1.In preparing the annual accounts the applicable accounting standards have been followed and necessary explanations have been provided relating to material departures wherever required.

2. The accounting policies followed by the company are consistent and in- accordance with law. The judgements and estimates made, are reasonable and prudent so as to give a true and fair view of the state of affairs at the end of the period and the loss of the company for Twelve Months period ended 31.03.2004.

3.Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other Irregularities.

4. The accounts have been prepared on a going concern basis.

On behalf of the Board
For Ahura Welding Electrode Manufacturers Limited

Place: Coimbatore

Date :8th December 2004

(Sd)C.Lakshmanan

Chairman