



# **JHAVERI WELDFLUX LIMITED**

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**10TH ANNUAL REPORT  
2000-2001**

**BOARD OF DIRECTORS**

**Prafull Jhaveri**  
Chairman/Managing Director

**Dilip Panchmatia**

**Anand Divan**

**Pankaj Jhaveri**  
(Technical Director)

**Jayesh Jhaveri**  
(Executive Director)

**Kirtida Jhaveri**

**Kavita Jhaveri**

**BANKERS**

**Andhra Bank**

**Union Bank of India**

**AUDITORS**

**A.J. Kotwal & Co.**  
(Chartered Accountants, Mumbai)

**REGISTERED OFFICE**

Panchsheel Industrial Estate, Plot  
No.27/28, Village Kharsundi,  
Taluka  
Khalapur, Dist. Raigad, Maharashtra.

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**ADMINISTRATIVE OFFICE & SHARE  
DEPARTMENT**

726, The Commodity Exchange Building,  
Plot Nos, 2, 3 & 4,  
Sector-19, Vashi, Navi Mumbai - 400 705.

**ANNUAL GENERAL MEETING**

On Saturday, the 29th September,  
2001, at Panchayat Samiti Hall,  
Opposite Tahsildar Office,  
Khalapur, District Raigad,  
Maharashtra, at 11.00 a.m.

Members are requested to kindly  
bring their copies to the meeting.

**2000-2001****JHAVERI WELDFLUX LIMITED****10TH ANNUAL REPORT****NOTICE OF ANNUAL GENERAL MEETING**

Tahsildar Office, Khalapur, District Raigad, Maharashtra on Saturday, the 29th September, 2001 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a director in place of Mr. Jayesh Jhaveri, who retires by rotation and being eligible, offers himself for reappointment
3. for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By Order of the Board

**Prafull Jhaveri**  
(Managing Director)  
Navi Mumbai, 29th August, 2001.

Registered Office:  
Panchsheel Industrial Estate,  
Plot No.27/28, Village,  
Kharsundi, Taluka Khalapur,  
District Raigad.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM TUESDAY, 25TH SEPTEMBER 2001 TO SATURDAY, 29TH SEPTEMBER 2001 (BOTH DAYS INCLUSIVE).
3. MEMBERS ARE REQUESTED TO NOTIFY ANY CHANGE IN THE ADDRESS TO THE SHARE DEPARTMENT OF THE COMPANY.
4. THE EQUITY SHARES OF YOUR COMPANY HAVE BEEN ADMITTED FOR DEMATERIALISATION WITH CDSL & NSDL. ALL SHAREHOLDERS ARE REQUESTED TO DEMAT THEIR SHARES THROUGH THEIR DEPOSITORY PARTICIPANTS.
5. THE EQUITY SHARES OF THE COMPANY ARE LISTED AT THE FOLLOWING STOCK EXCHANGES:
  1. THE STOCK EXCHANGE, MUMBAI  
PHIROJ JEEJEEBHAY TOWERS,  
DALAL STREET, MUMBAI.
  2. THE STOCK EXCHANGE, AHMEDABAD  
KAMADHENU COMPLEX,  
OPP. SAHAJAN COLLEGE,  
PANJARA POLE AMBAVADI,  
AHMEDABAD-380015.
6. THE SHARE DEPARTMENT OF THE COMPANY IS LOCATED AT:  
726, COMMODITY EXCHANGE BUILDING,  
PLOT NOS. 2, 3 & 4, SECTOR-19, VASHI,  
NEW BOMBAY-400 705.

2000-2001

JHAVERI WELDFLUX LIMITED

10TH ANNUAL REPORT

**DIRECTORS REPORT**

The Directors of the Company have pleasure to present the 10th Annual Report of the Company to the members.

**FINANCIAL RESULTS**

	(Rs. In Lacs)
	<b>2000-2001</b>
Turnover	268.40
Gross Profit	45.00
Interest	4.20
Profit after Interest but before Depreciation	40.80
Depreciation	23.20
Profit after Interest and Depreciation	17.60
Profit after Provision for Taxation	17.60
Appropriation:	
Balance carried to balance sheet.	17.60

**PERFORMANCE OF THE COMPANY:**

In spite of the Adverse market conditions, the company was able to maintain its turnover to previous year levels mainly due to better product mix and increased price realisation. The gross profit margins have declined from 58.38 lacs to 45.00 lacs due to increase in price of Raw materials and power which could not be absorbed in the sales price. The net profits are subsequently lower to 17.60 lacs. The profits of the company being inadequate the directors do not recommend payment of any dividend.

**FUTURE PROSPECTS:**

The company's electrode manufacturing plant has been commissioned during the current year. However the market conditions along with increased competition is causing a grave concern to the management of the company. The company do not expect to do well in the current year due to lower demands from the LPG Cylinder manufacturing units which constituted nearly 80% of the company's turnover.

The management is looking at ways and means to improve its market share in other related fields by introducing new products in the market.

**DIRECTORS:**

The Shareholders are requested to appoint Shri Jayesh Jhaveri and Shri Dilip Panchmatia as Directors of the Company, who retire by rotation and being eligible offers themselves for reappointment.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANY'S ACT, 1956.**

The Directors state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year covered under this report and of the Profit of the Company for the year.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

There are no employees drawing salaries whose particulars are required to be annexed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNED AND EXPENDED.****A. CONSERVATION OF ENERGY :**

The production process is power intensive and consumes electricity in large quantity. Any improvement in production process results in direct saving of power cost. Company has taken series of measures after identifying various areas wherein energy saving is possible. However, power supply from S.E.B. is a major hindrance in efficient running of production process, and to that extent the cost of production remains on higher side.

**B. TECHNOLOGY ABSORPTION :****I. RESEARCH & DEVELOPMENT :**

- Specific Area in which Research & Development carried out by the company:  
New Product and process development in material handling.  
Improvement in quality of existing product and optimisation in raw material consumption.
- Benefit derived as a result of above Research & Development.  
Cost reduction, increase in production & efficient use of raw material.
- Future plan of action.  
Better product range with more variety & input quality.
- Expenditure on Research & Development. (2000-01)
  - Capital Nil
  - Recurring 64,941
  - Total 64,941
  - Total Research & Development as a percentage of total turnover 0.242%

**II. TECHNOLOGY ABSORPTION & INOVATION:**

- Effort made towards technology absorption :  
Technology used in production process is only indigenous and largely due to in-house Research & Development
- Benefit derived :  
Company is self sufficient in technology which helps in product and process improvement and cost reduction.
- Information regarding imported technology during the last five years: Not Applicable.

**III. FOREIGN EXCHANGE EARNED AND OUT-GO:**

	2000-2001	1999-00
	(Rs.)	(Rs.)
a.) Foreign Exchange used	Nil	Nil
b) Foreign Exchange earned	Nil	Nil

**FIXED DEPOSITS :**

The Company has accepted Fixed Deposits during the year as defined under Section 58A of the Companies Act, 1956 and there are no unpaid deposits during the year under consideration.

**AUDITORS :**

The Directors request to appoint M/s GPS & Associates as Auditors in place M/s. A.J. Kotwal & Co. who retire at the end of the ensuing Annual General Meeting due to their merger with M/s. GPS & Associates.

**SUBSIDIARY COMPANIES :**

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts alongwith report of the Directors of Nerul Investment Limited and Jedi Wireflux Limited, and the respective Auditors' Report thereon for the year ended 31st March, 2001 are annexed.

**CORPORATE GOVERNANCE:**

The corporate governance code as per SEBI guidelines will become applicable to your company by March 2003. However your company has already initiated steps to put in place the system of corporate governance and all the mandatory provisions will be fully complied with before the deadlines prescribed.

**ACKNOWLEDGEMENT :**

The Board places on record its appreciation to the Financial Institution and Banks for their Sincere support. The Board also places on record the sincere efforts and hard work put by the workers and employees of Company.

on Behalf of the Board of Directors

Prafull Jhaveri

Navi Mumbai, 29th August, 2001.

Chairman/Managing Director.