

2002-2003

JHAVERI WELDFLUX LIMITED

12TH ANNUAL REPORT

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**JHAVERI WELDFLUX LIMITED**

**12TH ANNUAL REPORT  
2002-2003**

**2002-2003****JHAVERI WELDFLUX LIMITED****12TH ANNUAL REPORT****BOARD OF DIRECTORS****Prafull Jhaveri**

Chairman

**Pankaj Jhaveri**

(Managing Director)

**Jayesh Jhaveri**

(Executive Director)

**Hemant Jawaharlal Jhaveri****Krishna Sheth****Hemkunt Shah****Kavita Jhaveri****BANKERS****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.

**ADMINISTRATIVE OFFICE**

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

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**ANNUAL GENERAL MEETING**

On Monday, the 29th March,  
2004, 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.

**2002-2003****JHAVERI WELDFLUX LIMITED****12TH ANNUAL REPORT****NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the Company will be held at Panchayat Samiti Hall, Opposite Tahsildar Office, Khalapur, District Raigad, Maharashtra on Monday, the 29<sup>th</sup> March, 2004 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2003 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Prafull J Jhaveri, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at such remuneration as Board of Directors decide on behalf of the Company.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Mr. Krishna B Sheth whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the company has received a notice in accordance with the provisions of section 257 of the Companies Act, 1956 from a member of the company proposing the candidature of Krishna B. Sheth for the office of Director be and is hereby appointed as the Director of the Company whose period of Office will be liable to determination by retirement by rotation"
5. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.  
**"RESOLVED THAT** Hemant Jawaharlal Jhaveri whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the company has received a notice in accordance with the provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Hemant Jawaharlal Jhaveri for the office of Director be and is hereby appointed as the Director of the Company whose period of Office will be liable to determination by retirement by rotation"
6. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.  
**"RESOLVED THAT** Hemkunt P. Shah whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the company has received a notice in accordance with the provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Hemkunt P. Shah for the office of Director be and is hereby appointed as the Director of the Company whose period of Office will be liable to determination by retirement by rotation "
7. To consider and if thought fit, to pass, with or without modification, the following resolution as a ordinary resolution.  
**"RESOLVED THAT** Pursuant to section 198, 269, 309, 310 & other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act as amended from time to time, the consent of the Company be and is hereby accorded to the appointment of Mr. Pankaj P Jhaveri as Managing Director of the Company for the period of Five Years w.e.f. 1st January, 2004 upon and subject to the terms & conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the company and Mr. Pankaj P Jhaveri, a draft whereof is placed before the meeting and for the purpose of identification is superscribed by the chairman hereof.  
**"RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Pankaj Jhaveri shall be as specified."  
**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."
8. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.  
**"RESOLVED THAT** Pursuant to section 198, 269, 309, 310 & other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act as amended from time to time, the consent of the Company be and is hereby accorded to the appointment of Mr. Jayesh P Jhaveri as whole time Director of the Company for the period of Five Years w.e.f. 1st January, 2004 upon and subject to the terms & conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the company and Mr. Jayesh P Jhaveri, a draft whereof is placed before the meeting of and for the purpose of identification is superscribed by the chairman hereof."  
**"RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Jayesh P. Jhaveri shall be as specified."  
**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

**By Order of the Board**

**Jayesh Jhaveri**  
(Executive Director)

Navi Mumbai, 29th January, 2004

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 ADMINISTRATIVE 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 FRIDAY, 26TH MARCH 2004 TO MONDAY, 29TH MARCH 2004 (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 DEMATERIALIZATION 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 JEEBHAY 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.
7. The Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 with respect to the Special Business to be transacted at the meeting is annexed to this notice.

**2002-2003****JHAVERI WELDFLUX LIMITED****12TH ANNUAL REPORT****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.***Item No. 4*

In the meeting of the Board of Directors held on 7<sup>th</sup> May, 2003, Krishna B. Sheth was appointed as Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 read with Article 86 of the Articles of Association of the Company. Krishna B. Sheth holds office upto the date of the forthcoming Annual General Meeting. A notice in writing along with a deposit of Rs. 500/- has been received from a shareholder of the company pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Krishna B. Sheth as a candidate for the office of Director.

Krishna B. Sheth, 50 years of age is having nearly 30 years of experience in Business. His continuation on the Board will be a major asset to the company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

Name of the Company	Position	Committee Membership
Nil	Nil	Nil

Your Directors recommend that Mr. Krishna B. Sheth be appointed as a Director of the Company.

None of Director is interested or concerned in the passing of this ordinary resolution.

*Item No. 5*

In the meeting of the Board of Directors held on 7<sup>th</sup> May, 2003, Hemant Jawaharlal Jhaveri was appointed as Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 read with Article 86 of the Articles of Association of the Company. Hemant Jawaharlal Jhaveri holds office upto the date of the forthcoming Annual General Meeting. A notice in writing along with a deposit of Rs. 500/- has been received from a shareholder of the company pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Hemant Jawaharlal Jhaveri as a candidate for the office of Director.

Hemant Jawaharlal Jhaveri, 31 years of age is having nearly 13 years of experience in Business. His continuation on the Board will be a major asset to the company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

Name of the Company	Position	Committee Membership
Nil	Nil	Nil

Your Directors recommend that Mr. Hemant Jawaharlal Jhaveri be appointed as a Director of the Company.

None of Director is interested or concerned in the passing of this ordinary resolution.

*Item No. 6*

In the meeting of the Board of Directors held on 7<sup>th</sup> May, 2003, Hemkunt P. Shah was appointed as Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 read with Article 86 of the Articles of Association of the Company. Hemkunt P. Shah holds office upto the date of the forthcoming Annual General Meeting. A notice in writing along with a deposit of Rs. 500/- has been received from a shareholder of the company pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Hemkunt P. Shah as a candidate for the office of Director.

Hemkunt P. Shah, 53 years of age is having nearly 29 years of experience in Business. His continuation on the Board will be a major asset to the company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

Name of the Company	Position	Committee Membership
Nil	Nil	Nil

Your Directors recommend that Mr. Hemkunt P. Shah be appointed as a Director of the Company.

None of Director is interested or concerned in the passing of this ordinary resolution.

*Item No. 7*

Mr. Pankaj Jhaveri, Whole time Director has been associated with the setting up of the project and is in charge of the production. Mr. Pankaj Jhaveri with technical background and wide experience has very important contribution for smooth running of the plant. The Board has reappointed him as Managing Director for the period of Five years w.e.f. 1st January, 2004. An ordinary resolution for the appointment of Mr. Pankaj Jhaveri as Managing Director is required under the provisions of part II section II of schedule XIII of the Companies Act, 1956.

The terms of appointment and remuneration payable to Mr. Pankaj Jhaveri as Managing Director is as follows.

- I) Salary: Scale of Rs.25000-5000-50000 per month; with authority to the Board of Directors to fix salary within scale or less than the scale from time-to-time. The annual increment will be merit based and takes into account the performance of the Company.
- II) Perquisites and allowances:
  - (a) In addition to the salary payable, the appointee shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, property tax; medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and other perquisites of the Company or as may be agreed to by the Board of Directors and the appointee; such perquisites and allowance shall be subject to a maximum of the annual salary of the appointee.
  - (b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites & allowances shall be evaluated at actual cost. Provision for use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowance for the purpose of calculating the said ceiling.
  - (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.