



JHAVERI WELDFLUX LIMITED

13TH ANNUAL REPORT
2003-2004

**BOARD OF DIRECTORS**

Prafull Jhaveri
Chairman

Pankaj Jhaveri
(Managing Director)

Jayesh Jhaveri
(Executive Director)

Kavita Jhaveri

Hemant J Jhaveri

Krishna Sheth

Hemkunt Shah

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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 & SHARE DEPARTMENT

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

ANNUAL GENERAL MEETING

On Friday, the 31st December, 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.

2003-2004**JHAVERI WELDFLUX LIMITED****13TH ANNUAL REPORT****NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 13th Annual General Meeting of the Company will be held at Panchayat Samiti Hall, Opposite Tahsildar Office, Khalapur, District Raigad, Maharashtra on Friday, the 31st December, 2004 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2004 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 Mrs. Kavita Jhaveri, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Mr. Hiteshkumar Shah chartered Accountants as Auditors in place of retiring auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and authorize the Board of Directors to fix his remuneration.

By Order of the Board

Jayesh Jhaveri

(Executive Director)

Navi Mumbai, 15th November, 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 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 FRIDAY, 24TH DECEMBER 2004 TO FRIDAY, 31ST DECEMBER 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 ADMITTD FOR DEMATERIALISATION WITH CDSL & NSDL ALL SHAREHOLDERS ARE REQUESTED TO DEMAT THEIR SHARES THROUGH THEIR DEPOSITORY PARTICIPENTS.**
5. THE EQUITY SHARES OF THE COMPANY ARE LISTED AT THE FOLLOWING STOCK EXCHANGES:
 1. THE STOCK EXCHANGE, MUMBAI
PHIROJ JEEJEEBHOY TOWERS,
DALAL STREET, MUMBAI.
 2. THE STOCK EXCHANGE, AHMEDABAD
KAMADHENU COMPLEX,
OPP. SAHAJAN COLLEGE,
PANJARA POLE AMBAVADI,
AHMEDABAD-380015.
6. THE PHYSICAL 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. ELECTRONIC TRANSFERS OF SHARES ARE HANDELED AT:
INTIME SPECTRUM PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (W),
MUMBAI-400 078.

2003-2004

JHAVERI WELDFLUX LIMITED

13TH ANNUAL REPORT

DIRECTORS REPORT

Your Directors present herewith the 13th Annual Report and the Audited Statement of the Company for the financial year ended 30th June 2004.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	June 2004	June 2003
Turnover	125.30	82.27
Gross Profit before Interest and Depreciation	(22.37)	(16.13)
Interest	4.71	3.57
Profit after interest but before depreciation	(27.08)	(19.70)
Depreciation	11.59	26.67
Profit/(Loss) after interest and Depreciation	(38.67)	(46.37)
Loss on sale of Investment	-	4.36
Profit/(Loss) before Tax	(38.67)	(46.37)
Provisions for Tax	—	—
Profit/(Loss) after Tax	(38.67)	(50.73)
Balance Carried to balance sheet	(38.67)	(50.73)

PERFORMANCE OF THE COMPANY:

The performance of the company is below expectations. The efforts of your Directors to increase sales were not upto the mark as the company was unable to turn around due to lower margins coupled with severe labour problems. Your Company's efforts in diversifying its target consumers from the LPG field to the Engineering field with better product introduction has resulted in increased sales volumes which has resulted in reducing the losses. The attempts at diversification in new range of products has shown good results but is not sufficient to improve the company's financial. Your directors are hopeful that with concerted efforts and economic recovery, the performance will improve and result into higher turnover and increased realization.

DIRECTORS

Mr. Krishna Sheth and Mr. Hemkunt Shah resigned as Directors of the Company w.e.f. 30th September 2004 due to personal reasons. Your Directors place on record their appreciation for the services rendered during respective tenure as directors in the company.

Mrs. Kavita Jhaveri Director retires by rotation at this Annual General Meeting and being eligible offers herself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- they have, in the selection of the accounting policies, consulted the statutory Auditors and these have been applied consistently and reasonable and so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2004 and of the losses incurred by the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting record with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared 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 as amended till date.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNED AND OUTGO.**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.

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B. TECHNOLOGY ABSORPTION :**1. 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. To enhance the efficiency of the processing operation in order to cut down the production cost.

4. Expenditure on Research & Development.	2004	2003
a.) Capital	Nil	Nil
b.) Recurring	Nil	Nil
c.) Total	Nil	Nil
d.) Total Research & Development as a percentage of total turnover	Nil	Nil

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:

	2004	2003
	(Rs.)	(Rs.)
a.) Foreign Exchange used	Nil	Nil
b) Foreign Exchange earned	Nil	Nil

FIXED DEPOSITS :

The Company has not accepted any Fixed Deposits during the year under review within the meaning of the Companies Act, 1956 and the rules made thereunder.

AUDITORS :

M/s. A.J.Kotwal & Co., Chartered Accountants, retiring Auditors have expressed their inability to continue as auditors of the Company from the end of the ensuing Annual General Meeting and have not offered themselves for reappointment. Hitesh P. Shah & Associates, Chartered Accountants have informed their willingness to be appointed as Auditors, if appointed by the members, at the forthcoming Annual General meeting of the company.

ACKNOWLEDGEMENTS:

Your Directors express their gratitude to the Financial Institution and Banks for their valuable support, continued co-operation and encouragement to the company. Your Directors wish to place on record their appreciation of the efforts, assistance and support of the employees at various levels of the Company.

Your Directors thank you and look forward to your continuing support.

BY ORDER OF THE BOARD OF DIRECTORS

FOR JHAVERI WELDFLUX LIMITED

Prafull Jhaveri

Chairman

Place: Vashi, Navi Mumbai

Date: 15th November, 2004

Regd Office: 27/28 Panchsheel Indl. Est., Kharsundi, Khalapur, Raigad, Maharashtra.