

2004-2005

JHAVERI WELDFLUX LIMITED

14TH ANNUAL REPORT



**JHAVERI WELDFLUX LIMITED**

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**2004-2005**

**BOARD OF DIRECTORS****Prafull Jhaveri**

Chairman

**Pankaj Jhaveri**

(Managing Director)

**Jayesh Jhaveri**

(Executive Director)

**Kavita Jhaveri****Hemant J Jhaveri****Gaurav Sheth****CONTENTS**

Notice .....	2
Directors' Report .....	3
Corporate Governance.....	4
Auditors' Report .....	7
BalanceSheet .....	8
Profit and Loss Account .....	9
Schedules .....	9
Notes on the Balance Sheet & Profit and Loss Account .....	12
Cash Flow.....	14

**BANKERS****Union Bank of India****AUDITORS****Hiteshkumar P Shah**

(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.

**ANNUAL GENERAL MEETING**

On Friday, the 30th September,  
2005, 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.

**2004-2005****JHAVERI WELDFLUX LIMITED****14TH ANNUAL REPORT****NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Company will be held at Panchayat Samiti Hall, Opposite Tahsildar Office, Khalapur, District Raigad, Maharashtra on Friday, the 30<sup>th</sup> September, 2005 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2005 and the Profit & Loss Account for the nine months period ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Prafull Jhaveri, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorise the Board to fix his remuneration.

**SPECIAL BUSINESS**

4. To consider & if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.  
"RESOLVED THAT Mr. Gaurav Sheth, who was appointed an additional Director of the Company and who holds office upto date of this Annual General meeting pursuant to the provisions of section 260 of the Companies Act, 1956 and being eligible for reappointment and in respect of whom the Company has received notice in accordance with provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

By Order of the Board

**Jayesh Jhaveri**  
(Executive Director)

Vashi, Navi Mumbai, 29<sup>th</sup> August, 2005

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, 23<sup>rd</sup> SEPTEMBER 2005 TO FRIDAY, 30<sup>th</sup> SEPTEMBER 2005** ( 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 ALREADY 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-4000 021.
  2. THE STOCK EXCHANGE, AHMEDABAD  
KAMADHENU COMPLEX, OPP. SAHAJAN COLLEGE, PANJARA POLE AMBAVADI, AHMEDABAD-380015.
6. THE SHARE DEPARTMENT OF THE COMPANY IS HANDLED BY **M/S. INTIME SPECTRUM PVT. LTD.** & IS LOCATED AT:  
C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG, BHANDUP (WEST), MUMBAI-400078.
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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4.**

In a meeting of the Board of Directors held on 25.08.2005, Mr. Gaurav Sheth was appointed an Additional Director of the Company. Mr. Gaurav Sheth, holds office only 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 under section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Gaurav Sheth as a candidature for the office of Director.

Mr. Gaurav Sheth, 21 years old is a Software Engineer by profession. He is young and energetic person. His continuation on the Board will be an asset to the Company.

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

By Order Of the Board

Date: 29<sup>th</sup> AUGUST, 2005

Place: Vashi, Navi Mumbai

**Jayesh Jhaveri**  
(Executive Director)

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

**DIRECTORS REPORT**

Your Directors present herewith the 14<sup>th</sup> Annual Report and the Audited Statement of the Company for the financial year ended 31<sup>st</sup> March, 2005.

**FINANCIAL RESULTS**

	(Rs. In Lacs)	
	12 Months	9 Months
	Ended	Ended
	June	March
	2004	2005
Turnover	125.30	65.14
Profit (Loss) before Interest and Depreciation	(22.37)	(16.66)
Interest	4.71	4.49
Profit after interest but before depreciation	(27.08)	(21.15)
Depreciation	11.59	9.99
Profit/(Loss) after interest and Depreciation	(38.67)	(31.14)
Profit/(Loss) before Tax	(38.67)	(31.14)
Taxation	—	—
Profit/(Loss) after Tax	(38.67)	(31.14)
Balance Carried to balance sheet	(38.67)	(31.14)

**PERFORMANCE OF THE COMPANY:**

The efforts of your Directors resulted in achieving nearly 40% decrease in Raw material consumption. However increase in power cost by nearly 60% offset this achievement and the company suffered a loss of Rs. 31.14 lacs for the nine month period. The Drop in sales volume was mainly due to the decision of your Company to refrain from selling to parties who had defaulted in their payments. Legal action is being taken to recover the dues outstanding from these parties. Efforts of your Company to diversify its product market from the LPG Industry to the Engineering Industry is showing an encouraging trend and the management is confident in increasing its share in the Engineering sector. In view of the loss suffered by your Company the management does not recommend any Dividend for the period under consideration.

**DIRECTORS**

Mr. Gaurav Sheth was appointed an Additional Director at the Board meeting held on 25.08.2005 and shall hold office, till the date of forthcoming Annual General Meeting of the Company.

Mr. Prafull Jhaveri retires by rotation at this Annual General Meeting and being eligible offers himself 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 31st March, 2005 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 would result in direct saving of power cost. Company has taken series of measures after identifying various areas wherein energy conservation 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 :****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 of raw material consumption.
- Benefit derived as a result of above Research & Development.  
In increase in production & efficient use of raw material.
- Future plan of action.  
To further upgrade the quality of the existing products.  
To enhance the efficiency of the processing operation in order to cut down the production cost.
- Expenditure on Research & Development. 2005 2004
 

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 indigenious 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: 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 :**

Mr. Hiteshkumar Shah, Chartered Accountants, retire as Auditors of the Company at the end of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. Your Directors request you to reappoint them as the Statutory Auditors for the current financial year.

**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: 29<sup>th</sup> August, 2005

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