



JHAVERI WELDFLUX LIMITED

19 TH ANNUAL REPORT
2009-2010

**BOARD OF DIRECTORS**

Pankaj Jhaveri
(Chairman/Mg. Director)

Jayesh Jhaveri

Kavita Jhaveri

Hemant J Jhaveri

Gaurav Sheth

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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

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

Registrar & Share Transfer Agents:

Intime Spectrum Registry Ltd.,
c-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400 078

ANNUAL GENERAL MEETING

On Saturday, the 25th September,
2010, 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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the Company will be held at Panchayat Samiti Hall, Opposite Tahsildar Office, Khalapur, District Raigad, Maharashtra on Saturday, the 25th September, 2010 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the period ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Pankaj Jhaveri who retires by rotation and being eligible, offers himself for reappointment and authorise the Board to fix his remuneration.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
"RESOLVED THAT Pursuant to Section 146(2)(b) of the Companies Act 1956, the Registered office of the company be Shifted from "Panchsheel Industrial Estate, Plot No. 27/28, Village Kharsundi, Taluka Khalapur District Raigad"-410206 To "14/B-318, Sector-19, Vashi, Navi Mumbai-400705."

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to complete all the necessary formalities to give effect to the above Resolution."

By Order of the Board

Jayesh Jayesh Jhaveri
(Director)

Vashi, Navi Mumbai, 28th June, 2010

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 SATURDAY, 18TH SEPTEMBER 2010 TO SATURDAY, 25th SEPTEMBER 2010 (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 & PRESENTLY SUSPENDED
 1. THE STOCK EXCHANGE, MUMBAI PHIROJ JEEJEEBHOY 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:

Item No. 7:

In view of sale of Factory Premises, Board proposes shifting of registered office from "Panchsheel Industrial Estate, Plot No. 27/28, Village Kharsundi, Taluka Khalapur, District Raigad - 410206" to "14/B - 318, Sector - 19, Vashi, Navi Mumbai -400705."

Since the Company proposes to shift the registered office from one city to another which requires approval from the members of the Company. Therefore the above resolution is put for the approval of the members of the Company.

None of the Directors of the Company are deemed to be interested or concerned in the said resolution

By Order Of the Board By Order Of the Board

Jayesh Jhaveri
(Director)

Date: 28TH JUNE, 2010

Place: Vashi, Navi Mumbai

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

DIRECTORS REPORT

Your Directors present herewith the 19th Annual Report and the Audited Statement of the Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. In Lacs)

	<u>March</u> <u>2009</u>	<u>March</u> <u>2010</u>
Turnover	03.45	2.08
Profit/(Loss) before Interest and Depreciation	(13.76)	(1.21)
Interest	-	-
Profit/(Loss) after interest but before depreciation	(13.76)	(1.21)
Depreciation	03.13	-
Profit/(Loss) after interest and Depreciation	(16.89)	(1.21)
Profit/(Loss) before Tax	(16.89)	(1.21)
Taxation	-	-
Loss after Tax	(16.89)	(1.21)
Balance Carried to balance sheet	(16.89)	(1.21)

PERFORMANCE OF THE COMPANY:

The company has cleared off all its secured liabilities except deferred sales tax liabilities amounting to Rs.11,89,707/-. The total debts of the company are Rs.34,92,082 out of which nearly 97.76% amounting to Rs.34,13,721 are more than six months old out of which court cases for nearly 78.14% for Rs. 26,67,613 have been filed.

The trading of the company's shares have been suspended on the stock exchanges due to non compliance of the listing agreement. The Listing fees of the Bombay stock Exchange & The Ahmedabad Stock Exchanges are pending from the year 2006-2007

DIVIDEND

In view of the losses being suffered by the company and the capital & reserves of the company being wiped out by nearly 92.64% the directors are not in a position to declare any dividends and so dividend is not recommended for the year.

DIRECTORS

Mr.Pankaj 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, 2010 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 :**

Since the company has shut down its manufacturing operations no efforts were made towards conservation of energy.

B. TECHNOLOGY ABSORPTION :**1. RESEARCH & DEVELOPMENT :**

- Specific Area in which Research & Development carried out by the company:

Research & development work was not undertaken as there were no production activities.

- Benefit derived as a result of above Research & Development.
No benefits

- Future plan of action.

At present the company is making all efforts to recover its dues from its debtors and clear all its liabilities.

- Expenditure on Research & Development. 2009 2010

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 was only indigenous and largely due to inhouse Research & Development
- Benefit derived :
Company was self sufficient in technology which helped 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**

Pankaj Jhaveri
Chairman/Managing Director.

Place: Vashi, Navi Mumbai

Date: 28th June, 2010

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

CORPORATE GOVERNANCE**Report On Corporate governance.**

1. Company Philosophy. At Jhaveri Weldflux Ltd, we are committed to good corporate governance to ensure that all functions of the Company are discharged in a professionally sound, accountable and competent manner. Given below is the requisite information relating to corporate functioning of your company at apex level for the purpose of due transparency on this aspect.

2. Board of Directors. The Board of Directors of the Company consists of 5 (five) Non-Executive Directors. Composition of the Board of Directors of the Company and their other Directorship(s)/ Committee Membership/Chairmanship(s) in other public companies as on 31-03-2010 was as under.

Name	Status	No. Of Directorship(s) and committee Membership Chairmanship(s) of other public Companies.		
		Directorship(s)	Committee Membership	Committee Chairmanship(s)
Mrs.KavitaJhaveri	Independent Non Executive	-	-	-
Mr. Pankaj Jhaveri	Executive-Chairman/Managing Director	-	-	-
Mr.Hemant.Jhaveri	Independent Non Executive	-	-	-
Mr. Jayesh Jhaveri.	Executive	-	-	-
Mr. Gaurav A Sheth.	Independent Non Executive	-	-	-

(B) BOARD PROCEDURE

The Board of the Company met Six times during the year ended 31.03.2010. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Executive Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Legal Issues for recovery of dues and financing current operation.

(C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2010, Six Board Meetings were held on April 26, May 31, July 31, August 30, October 31, 2009 and January 31, 2010

Name of the Director	No. of Board Meeting Attended	Attendance At last AGM Held on 29.08.2009	Remarks
Mrs. Kavita Jhaveri	6	Yes	-
Mr. Pankaj Jhaveri	6	Yes	-
Mr. Hemant Jhaveri	2	Yes	-
Mr. Gaurav Sheth	1	-	-
Mr. Jayesh Jhaveri	6	Yes	-

3. Committees of the Board:

The Board of Directors has Constituted Three committees of the Board – (i) The Audit Committee (ii) Remuneration Committee and (iii) The Share Transfer and Investors Grievance Redressal Committee.

i) Audit Committee: Brief description of terms of reference

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

COMPOSITION : The constituted Audit Committee comprises of three Directors of whom two members are independent Director and one member is Non-Executive Director. The said members have experiences in corporate management, finance, accounts and corporate laws.

The Constitution of the present Audit Committee is as follows:

- (a) Mr. Hemant Jhaveri Chairman
(b) Mr. Gaurav Shah Member
(c) Mrs. Kavita Jhaveri Member

During the year ended March 31, 2010; Four Audit Committee Meetings were held on July 26, 2009, October 31, 2009, November 29, 2009, and January 31, 2010 and there was no time gap of more than six months between any two meetings.

ii) Remuneration Committee: Brief description of terms of reference

The Committee review, assess and recommend the appointment/ remuneration of Managing Director/Executive Directors, takes into account the financial position of the Company, trend in the industry, qualification, experience, performance and past remuneration of the concerned managerial person. Remuneration of executive directors is decided by the Board of Director within the Ceiling fixed by the shareholders in Annual General Meeting.

COMPOSITION :

The Board of Directors decides the remuneration payable to the Managing /Whole-time Directors in accordance with recommendation of the remuneration committee.

The break up of the remuneration paid to Managing Director and the Whole-time Directors is as follow:

Sl No.	Name of Directors	Salary	Benefits	SittingFee	Total
1.	Mr. Pankaj Jhaveri	Nil	Nil	—	Nil
2.	Mr. Jayesh Jhaveri	Nil	Nil	—	Nil

The constitution of the present Remuneration Committee is as follows:

1. Mr. Gaurav Shah - Chairman
2. Mr. Hemant Jhaveri - Member
3. Mrs. Kavita Jhaveri - Member

(iii) Investors' and shareholders Grievance & Share Transfer Committee: Brief description of terms of reference

The "Investors' and shareholders Grievance & Share Transfer Committee" of the Board, look into various issues relating to investor grievances and to deal with matters relating to transfers/transmissions of shares, and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc..

COMPOSITION

The Composition of the The Investors' and shareholders Grievance & Share Transfer Committee is as follows :

i. Mr. Hemant Jhaveri	Chairman
ii. Mrs. Kavita Jhaveri	Member

The Company's shares are compulsory traded in the dematerialized form and have to be delivered in the dematerialized form in all the Stock Exchanges. To expedite transfers in the physical segment, Mr. Jayesh Jhaveri, Director, is Compliance Officer as required by the Listing Agreement entered into by the Company with The Stock Exchange, Mumbai.

4. General Meetings: Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2008-2009	29.08.2009	Panchayat samiti Hall- Khalapur, Raigad, Maharashtra	11.00 A.M
2007-2008	27.09.2008	Panchayat samiti Hall- Khalapur, Raigad, Maharashtra	11.00 A.M
2006-2007	29.09.2007	Panchayat samiti Hall- Khalapur, Raigad, Maharashtra	11.00 A.M.

No special resolution was required to be passed through postal ballot at the last Annual General Meeting nor it is proposed this year.

5. Disclosures

a) There has been Nil non-compliance Penalties / Strictures imposed on the company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

b) There are no materially significant related party transaction with the promoters, directors or the subsidiaries or relatives other than disclosed in the Notes to the Accounts.

7. General Shareholders information

a. Registered Office : Plot No. 28/29, Panchsheel Indl. Estate, Village Kharsundi, Taluka Khalapur, Dist. Raigad, Maharashtra

b. Annual General Meeting : Date and time: September 25, 2010 at 11.00 a.m . at Panchayat Samiti Hall, Taluka Khalapur, Dist. Raigad, Maharashtra

c. Calendar of Events (2009-2010) : Result to be tabled & adopted in the month of

i) First Quarter ended June 30, 2009.	: July 31, 2010
ii) Half Yearly / Second Quarter ended September 30, 2009.	: October 31, 2009
iii) Third Quarter / Nine Months ended December 31, 2009.	: January 31, 2010
iv) Yearly Audited / Fourth Quarter ended March 31, 2010.	: APRIL, 2010
d. Date of Book Closure (Both days inclusive)	: Saturday, September 18, 2010 to Saturday, September 25, 2010
e. Dividend payment date	: Not applicable (No dividend is proposed)
f. Listing at stock Exchanges	: The Stock Exchange, Mumbai The Stock Exchange, Ahmedabad
g. Stock Code	: Physical Segment - BSE: 522233 NSDL/CDSL- ISIN: INE 674D01018

h. Stock Market Data : The Shares of the company are listed on the Bombay stock Exchange. However no data is available since trading has been suspended on the Bombay stock Exchange.

i) Distribution Schedule as on March 31, 2010:

Nominal value of Rupees	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
UPTO 5000	6493	92.6248	9506600	31.6887
5001 to 20000	411	5.8631	4335010	14.4500
20001 to 40000	49	0.6990	1431990	4.7733
40001 to 10000	42	0.5991	2909720	9.6991
100001 & above	15	0.2140	11816680	39.3889
TOTAL	7010	100.000	3000000	100.0000

j) Shareholding Pattern of the company as on March 31, 2010:

Category	No. of shares held	Percentage of shareholding
1. Directors/Relatives	1010300	33.6767
2. Corporate Bodies	67896	2.2632
3. NRIs / OCBs	129500	4.3167
4. Indian Public	1792304	59.7434
GRAND TOTAL	3000000	100.0000

k) Registrar and Transfer Agents: Intime Spectrum Registry Limited, C13, Pannalal silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-78

l) Share Transfer System : Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Shares sent for transfer in physical form are registered and returned within a maximum period of thirty days from the date of receipt of the documents, provided all documents are valid and complete in all respects. The Share Transfer and Shareholders/Investors Grievance Committee meet periodically to consider the transfer and other proposals and attend to shareholders grievances.

m) Dematerialisation of Shares: 53.3466% of the total Equity Capital is held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

n) Plant Location : The Manufacturing Plant of the company has been disposed off.

o) Correspondence Address : M/s. Intime Spectrum Registry Limited." : C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (west), Bombay-400078.

To the members of

JHAVERI WELDFLUX LIMITED

27,28, Panchsheel Industrial Estate,
Village Kharsundi,
Taluka Khalapur, Dist. Raigad,
Maharashtra.

We have reviewed the compliance of conditions of corporate governance by Jhaveri Weldflux Ltd for the year period ended 31st March, 2010, as stipulated in clause 49 of the listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing Agreement.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Hiteshkumar Shah,
Chartered Accountants**

**Hiteshkumar Shah
Proprietor.**

Membership No.45782.

Mumbai, Dated 28th June, 2010.

Auditors Report

To the members of Jhaveri Weldflux Limited

We have audited the attached Balance Sheet of Jhaveri Weldflux Limited as at March 31, 2010 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date, and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For Hiteshkumar Shah
Chartered Accountant

Place & Date : MUMBAI 28th June, 2010

(Proprietor) M.No.45782 Hiteshkumar P Shah

Annexure to Auditors' Report

Annexure referred to in para (3) of our report of even date to the members of Jhaveri Weldflux Limited.

- 1) (a) The Company has no Fixed Assets as on 1st April, 2009 and as on 31st March, 2010.
(b) Since the Company does not have any Fixed Assets, the question of their physical verification does not arise.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) As informed, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- 5) (a) According to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding value of Rupees five lakhs have been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from public.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- 9) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(b) According to the records of the Company, there are no dues outstanding of income taxes, excise duty, sales tax, cess on account of any dispute.
(c) The Company's unit has been established in a backward area of Khalapur. According to the "Exemption / deferral - 1988" scheme of the Government of Maharashtra such units are entitled to differ sales tax payments to future years. The balance outstanding as sales tax payable upto 31st March, 2010 is Rs. 11,89,707/-.
- 10) The accumulated losses of the Company are more than ninety percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- 11) The Company does not have any outstanding dues to financial institution, bank or debenture holders. Therefore the provisions of clause (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / Society. Therefore, the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) The Company did not have any term loans outstanding during the year.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Hiteshkumar P Shah,

Chartered Accountants

Hiteshkumar P Shah

(Proprietor) M.No.45782

Place & Date :MUMBAI 28th June, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

(In Rupees)

	Schedule		As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
Capital	1	3,00,00,000		3,00,00,000
Reserves & Surplus	2	-2,77,93,274		(2,76,72,329)
	A		22,06,726	23,27,671
LOAN FUNDS				
Secured Loans	3	-		-
Unsecured Loans	4	34,74,694		27,83,128
	B		34,74,694	
	(A+B)		56,81,420	51,10,799
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	-		-
Less: Depreciation		-		-
Net Block	C		-	-
INVESTMENT	D		2,50,212	2,50,212
CURRENT ASSETS, LOANS & ADVANCES				
Inventory	7	6,239		23,629
Sundry Debtors	8	34,92,082		35,66,734
Cash & Bank Balances	9	98,769		1,09,163
Loans & Advances	10	5,92,986		5,99,171
			41,90,076	42,98,697
Less: Current Liabilities & Provisions	11		14,19,243	21,83,639
NET CURRENT ASSETS	E		27,70,833	21,15,058
MISCELLANEOUS EXPENDITURE	F		26,60,373	27,45,528
(To the extent not w/o or adjusted)				
	(C+D+E+F)		56,81,420	51,10,799
Notes to accounts	18			

AS PER REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD

For Hiteshkumar P Shah,

Chartered Accountants

PANKAJ JHAVERI
(Chairman) (Managing Director)

HEMANT JHAVERI
KAVITA JHAVERI
GAURAV SHETH

} Directors

Hiteshkumar P Shah

(Proprietor) M.No.45782

Place & Date : MUMBAI 28th June, 2010

JAYESH JHAVERI
(Executive Director)

Profit and Loss Account for the period ended 31st MARCH, 2010

(In Rupees)

	Schedule	As at	As at
		31-03-2010	31-03-2009
INCOME			
Sales & Other Income	13	2,07,704	3,44,658
	A	2,07,704	3,44,658
EXPENDITURE			
Material Consumed	14	1,13,015	8,13,969
Manufacturing Expenses	15	9,950	1,48,040
Administrative & Selling Expenses	16	1,10,528	6,73,670
Preliminary Expenses Written off		85,155	85,155
	B	3,18,648	17,20,834
PROFIT BEFORE DEPRECIATION	(A-B)	(1,20,944)	(13,76,176)
Depreciation		-	3,12,726
PROFIT/(LOSS) BEFORE TAX		(1,20,944)	(16,88,950)
Income tax		-	-
PROFIT/(LOSS) AFTER TAX AVAILABLE FOR APPROPRIATION		(1,20,944)	(16,88,950)
APPROPRIATIONS			
BALANCE CARRIED TO BALANCE SHEET		(1,20,944)	(16,88,950)
Notes to accounts	18		

AS PER REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD

For Hiteshkumar P Shah,
Chartered AccountantsPANKAJ JHAVERI
(Chairman/Mg. Director)HEMANT JHAVERI
KAVITA JHAVERI
GAURAV SHETH } DirectorsHiteshkumar P Shah
(Proprietor) M.No.45782JAYESH JHAVERI
(Executive Director)

Place & Date : MUMBAI 28th June, 2010

	As at	As at	SCHEDULE 3 SECURED LOANS	As at	As at
	31-03-2010 (Rupees)	31-03-2009 (Rupees)		31-03-2010 (Rupees)	31-03-2009 (Rupees)
SCHEDULE - 1 SHARE CAPITAL					
AUTHORISED :					
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000	5,00,00,000		-	-
ISSUED, SUBSCRIBED & PAID UP :					
30,00,000 Equity shares of Rs. 10 each fully paid up	3,00,00,000	3,00,00,000	SCHEDULE 4 UNSECURED LOAN		
			From Other	29,71,261	22,48,633
			From Directors	5,03,433	5,34,495
SCHEDULE 2 RESERVES AND SURPLUS :				34,74,694	27,83,128
General Reserve	(2,76,72,330)	(2,59,83,378)			
Surplus (Defecit) in P & L Account	(1,20,944)	(16,88,950)			
	(2,77,93,274)	(2,76,72,329)			

	As at 31-03-2010	As at 31-03-2009	SCHEDULE 12 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	As at 31-03-2010	As at 30-06-2009
SCHEDULE 7					
INVENTORIES (As taken, valued and certified by the management)			Preliminary Expenses	1,73,458	1,78,840
Raw Materials	6,239	23,629	Less : 1/10th Preliminary Expenses Written Off	5,382	5,382
Finished Goods	-	-		A	1,73,458
Consumable Stores	-	-	Public Issue Expenses :	25,72,070	26,51,843
Packing Materials	-	-	: Proportionate Public Issue Expenses Written Off	79,773	79,773
	6,239	23,629		B	25,72,070
			(A + B)	26,60,373	27,45,528
SCHEDULE 8			SCHEDULE 13		
SUNDRY DEBTORS (Unsecured, considered good)			SALES AND OTHER INCOME		
Outstanding for more than six months	34,13,721	34,13,721	Sales	1,85,749	5,05,311
Others	78,361	1,53,013	Less: Sales returned	-	-
	34,92,082	35,66,734		1,85,749	5,05,311
SCHEDULE 9			Interest	-	-
CASH AND BANK BALANCES			Dividend Received	-	-
Cash on hand	12,214	23,664	Other Income	21,955	24
Balances with Scheduled Banks in Current Account				(A)	5,05,335
Central Bank of India (Sion)	5,648	5,648	Add : Increase/(Decrease) in Stocks		
State Bank of India (Khopoli)	50,888	50,888	Closing Stock of Finished Goods	-	-
State Bank of India	12,419	17,600	Less: Opening Stock of Finished Goods	-	1,60,677
Union Bank Of India	17,600	11,362		(B)	(1,60,677)
	98,769	1,09,163	Add: Closing Stock of Semi-Finished Goods	-	-
			Less: Opening Stock Semi Finished Goods	-	-
SCHEDULE 10				(C)	
LOANS AND ADVANCES (Unsecured, considered good)			SCHEDULE 14	(A+B+C)	3,44,658
Advances recoverable in cash or in kind			COST OF MATERIAL CONSUMED		
Advances to others	4,51,222	4,51,222	Opening Stock of Raw Material	23,629	5,74,715
Advances to staff	-	-	Packing Materials	-	-
Deposits	6,000	6,000		(A)	5,74,715
Duties & Taxes	-	6,166	Add : Purchases of Raw Materials	95,625	2,62,883
Income Tax	1,35,764	1,35,782	Less : Purchase Returns	-	-
	5,92,986	5,99,171		95,625	2,62,883
SCHEDULE 11			Add: Purchase of Packing Materials	-	-
CURRENT LIABILITIES AND PROVISIONS				(B)	2,62,883
CURRENT LIABILITIES			Less : Closing Stock of Raw Materials	(A+B)	8,37,598
Sundry Creditors	29,250	99,185	Packing Materials	6,239	23,629
Other	13,89,993	20,84,454		(C)	23,629
Prof.Tax	-	-		((A+B)-C)	8,13,969
Fringe Benifit Tax	-	-	SCHEDULE 15		
	14,19,243	21,83,639	MANUFACTURING EXPENSES		
			Packing Material	-	-
			Purchase Tax	-	-
			Direct Labour Charges	-	-
			Repairs & Maintaince	-	-
			Power & Fuel Expenses	-	1,32,340
			Freight & Packing Charges	9,950	-
			Consumable Stores	-	15,700
			Contract Labour, welfare & Conveyance	-	-
			Custom & Excise Duty	-	-
			Factory Expenses	-	-
			Employers Contribution to PF	-	-
			Loading & unloading Charges	-	-
			Loss in Transit	-	-
			Worker Allowances & Expenses	-	-
				9,950	1,48,040

I.A. Related Party Disclosure: Information relating to Related Party transaction as per Accounting Standard-18 issued by the institute of Chartered Accountants of India is given below:-

A. Name of Related Party Relationship

J. Quantitative information pursuant to the provision of Para 3 and 4 of part - II of Schedule VI, as prepared by the manage and relied upon by the auditors is as under:

A) **Licensed & Installed Capacities and Actual Production for the year: (As certified by a Director)**

Licensed Capacity : Not applicable Installed Capacity : Not applicable Production : 0 M.T

B) **Opening and Closing stock of goods produced for sale.**

Products	Closing Stock		Opening Stock	
	Qty in M.T	Rupees	Qty in M.T	Rupees
Flux & Wire			0.120	23692
	Current Year		Previous Year	
C) Material Consumed	Qty in M.T.	Rupees	Qty in M.T.	Rupees
Product				
Mineral Ores	0	0	0	0

D) **Details of Products traded during the year**

Opening Stock	0	0
Purchases	0	0
Closing Stock	0	0

E) **Particulars in respect of Sales of Manufactured products during the Year.**

Flux & Wires

F) **CIF Value of Imports**

G) **Value of Stores & Spares Consumed**

Indigenous 100%

H) **Expenditure in Foreign Currency**

Earnings in Foreign Currency

10. **Managerial Remuneration:- (In Rupees)**

Salaries

11. **Remuneration to auditors is for the following services:-**

Tax Audit fees

12. **Segment Information:-** The company deals in one segment only and that is welding consumables.

13. **Retirement Benefits:-** Provision for Leave encashment & Gratuity has not been provided for during the year.

14. **General:-** Balance sheet abstract and Company's General Business Profile as required under Schedule VI to the Companies Act is enclosed in the Annexure.

15. Previous year figures have been regrouped wherever necessary for the purpose of proper comparison with that of the current year and paises are rounded off upto nearest rupee.

ASPERREPORT OFEVEN DATE

For Hiteshkumar P Shah.

Chartered Accountants

FOR & ON BEHALF OF THE BOARD

PANKAJ JHAVERI

(Chairman/Mg Director)

HEMANT JHAVERI

KAVITA JHAVERI

GAURAV SHETH

} Directors

Hiteshkumar P Shah

(Proprietor) M.No.45782

Place & Date : 28th June, 2010 MUMBAI

JAYESH JHAVERI

(Executive Director)

Balance Sheet Abstract & Company's General Business Profile

I) Registration Details	Registration No. 62568	Status code: 11	Balance Sheet date: 31-03-2010
II) Capital raised during the year (Amount in Rs.Thousand)	Public Issue : Nil	Right Issue: Nil	Bonus Issue: Nil
III) Position of Mobilisation & deployment of funds (Amount in Rs.Thousand)	Total Liabilities : 5681	Total Assets: 5681	Private Placement : Nil
Sources of Funds:	Paid up Capital: 30000	Reserves & Surplus: (27793)	Secured Loans: NIL
Application of Funds:	Net Fixed Assets: NIL	Investments: 250	Net Current Assets: 2771
IV) Performance of Company (Amount in Rs.Thousand)	Turnover: 207	Total Expenditure: 329	Loss Before Tax: 121
	Earnings Per Share: 0.00	Dividend Rate % : Nil	Loss After Tax: 121
V) Generic Name of Three Principle Products/Services (as per monetary terms)	Item Code No. (ITC Code) : 83119000	Product Description: Submerged Arc Welding Fluxes	
	Item Code No. (ITC Code): 83111000	Product Description: Copper Coated Mild Steel Wires	
AS PER REPORT OF EVEN DATE	FOR & ON BEHALF OF THE BOARD		
For Hiteshkumar P Shah.	PANKAJ JHAVERI	HEMANT JHAVERI	} Directors
Chartered Accountants	(Chairman/Mg Director)	KAVITA JHAVERI	
		GAURAV SHETH	
Hiteshkumar P Shah	JAYESH JHAVERI		
(Proprietor) M.No.45782	(Executive Director)		Place & Date : MUMBAI 28th June, 2008

CASH FLOW STATEMENT

PARTICULARS	PERIOD ENDED 31-03-2009		PERIOD ENDED 31-03-2010	
	A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax and Extraordinary Items:		-16,88,950		-1,20,944
ADJUSTMENTS FOR:				
DEPRECIATION	3,12,726		-	-
INTEREST/DIVIDEND	0			
PRELIMINARY EXPENSES W/OFF	85,155		85,155	
LOSS ON SALE OF INVESTMENTS	5,26,078			
INTEREST PAID AND PRIOR YEAR ITAX	0			
		9,23,959		85,155
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		-7,64,991		-35,789
ADJUSTMENTS FOR:				
TRADE AND OTHER RECEIVABLES	38,03,371		74,652	
INVENTORIES	7,11,764		17,390	
TRADE PAYABLES	-26,77,077		-7,64,396	
		18,38,057		-6,72,354
NET CASH FROM OPERATING ACTIVITIES		10,73,066		-7,08,143
B. CASH FLOW FROM INVESTING ACTIVITIES:				
PURCHASE OF FIXED ASSETS	-		-	
SALE OF ASSET / INVESTMENTS	9,40,000			
INTEREST RECEIVED	-		-	
DIVIDEND RECEIVED	-		-	
LOANS & ADVANCES	41,832		6,185	
NET CASH USED IN INVESTING ACTIVITIES		9,81,832		6,185
C. CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDINGS FROM LONG TERM BORROWINGS	-42,21,385		-	
UNSECURED LOANS	20,10,649		6,91,566	
NET CASH USED IN FINANCING ACTIVITIES		-22,10,736		6,91,566
NET INCREASE IN CASH & CASH EQUIVALENTS	-1,55,839		-10,392	
CASH & CASH EQUIVALENTS AT (OPENING BALANCE)	2,65,001		1,09,162	
CASH & CASH EQUIVALENTS AT (CLOSING BALANCE)		1,09,162		98,769

NOTES: 1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting standard-3 on Cash Flow Statements issued by institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped/rearranged to confirm with current year's classification

For & on Behalf of the Board:

Pankaj Jhaveri	Jayesh Jhaveri	Kavita Jhaveri	Hemant Jhaveri	Gaurav Sheth
Chairman/Mg.Director	Ex.Director	Director.	Director.	Director.

AUDITORS CERTIFICATE

We have examined the above cash flow Statement of Jhaveri Weldflux Ltd for the period ended 31-03-2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreement and is based on and in agreement with the Profit & Loss Accounts for the period ended 31st March, 2010 and Balance Sheet of the Company as on that date which have been duly audited by us.

ASPERREPORT OF EVEN DATE

For Hiteshkumar P Shah.

Chartered Accountants

Hiteshkumar P Shah (Proprietor) M.No.45782 Place & Date : Mumbai. 28th June 2010.

JHAVERI WELDFLUX LIMITED**Registered Office :**

27/28, Panchsheel Industrial Estate, Village Kharsundi,
Taluka Khalapur, District Raigad, Maharashtra.

PROXY FORM

Mr./Mrs./Miss Reg. Folio No.

I/We

of in the district of

.....being a member/members of the above Company hereby appoint

..... of in the district of

..... or failing him.....of

..... in the district of

as my/our proxy to vote for me/us on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday 25th September, 2010, and at any adjournment thereof.

Signed this..... day of2010

Signature Re.1/-
Revenue
Stamp

N.B. : This proxy must be deposited at the Administration Office at 728, Commodity Exchange Bldg., Sector -19, Vashi, Navi Mumbai-400 705, not less than 48 hours before the time of the meeting.

JHAVERI WELDFLUX LIMITED**Registered Office :**

27/28, Panchsheel Industrial Estate, Village Kharsundi,
Taluka Khalapur, District Raigad, Maharashtra.

ATTENDANCE SLIP

19th Annual General Meeting on 25th September, 2010

Reg. Folio No.

Mr./Mrs./Miss

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Panchayat Samiti Hall, Opposite Tahsildar Office, Khalapur, District Raigad, Maharashtra, on 25th September, 2010 at 11 a.m.

.....
Proxy's name in BLOCK letters

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL

JHAVERI WELDFLUX LIMITED

Book-Post

To,

JHAVERI WELDFLUX LIMITED

If undelivered please return to:

JHAVERI WELDFLUX LTD.,
726, Commodity Exchange Bldg.,
Plot Nos.2,3 & 4,
Sector-19, Vashi, Navi-Mumbai-400705

