

**20TH
ANNUAL
REPORT**

2010-2011

JHAVERI WELDFLUX LIMITED

BOARDS OF DIRECTORS

Mr. Jayesh Prafull Jhaveri	– Chairman & Executive Director
Mr. Atul Anantrai Mehta	– Non-executive Director
Mr. Nimesh Shambhulal Joshi	– Non-executive Director
Mr. Mandar Subhash Palav	– Independent Director
Mr. Mitesh Hasmukhlal Dani	– Independent Director
Mr. Hemant J. Jhaveri	– Promoter Director (upto 18.11.2010)
Mrs. Kavita J. Jhaveri	– Promoter Director (upto 18.11.2010)
Mr. Pankaj Jhaveri	– Executive Director
Mr. Gaurav Sheth	– Independent Director
Mr. Ashish S. Pandare	– Independent Director

BANKERS

Union Bank of India

Allahabad Bank

AUDITORS

Hiteshkumar P. Shah (Chartered Accountants, Mumbai)

REGISTERED OFFICE

14/B - 318, Merchant Chambers, Sector-19, Vashi,
Navi Mumbai, Maharashtra - 400705

SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

(Formerly, Intime Spectrum Registry Limited)

C- 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.

LISTING

Bombay Stock Exchange Ltd.

Ahmedabad Stock Exchange Ltd.

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ANNUAL GENERAL MEETING

On Thursday, the 29th September, 2011,
at the Shelter Palace, 4th Floor, Plot
No.179/A, Sector-19C, Behind State Bank
of India Building, Dana Bunder, Vashi,
Navi Mumbai- 400705
at 11.00 a.m.

Members are requested to kindly
bring their copies to the meeting

NOTICE

Notice is hereby given that 20th Annual General Meeting of JHAVERI WELDFLUX LIMITED will be held at Shelter Palace, 4th Floor, Plot No. 179/A, Sector-19C, Behind State Bank of India Building, Dana Bunder, Vashi, Navi Mumbai- 400705, on Thursday, 29th September, 2011 at 11.00 A.M. to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS

1. To consider and adopt the Accounts for the financial year ended 31st March, 2011 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint retiring Auditor, Mr. Hiteshkumar Shah, Chartered Accountants, to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

3. **"To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution":**

Appointment of Mr. Atul Anantrai Mehta as a Director

"RESOLVED THAT Mr. Atul Anantrai Mehta who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to the Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

4. **"To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution":**

Appointment of Mr. Nimesh Shambulal Joshi as a Director

"RESOLVED THAT Mr. Nimesh Shambulal Joshi who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to the Section 260 of the Companies

Act, 1956, and who holds office up to the date of this Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

5. **"To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution":**

Appointment of Mr. Mandar Subhash Palav as a Director

"RESOLVED THAT Mr. Mandar Subhash Palav who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to the Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

6. **"To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution":**

Appointment of Mr. Mitesh Hasmukhlal Dani as a Director

"RESOLVED THAT Mr. Mitesh Hasmukhlal Dani who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to the Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

7. **"To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution":**

Appointment of Mr. Ashish S. Pandare as a Director

"RESOLVED THAT Mr. Ashish S. Pandare who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to the Section 260 of the Companies Act,

1956, and who holds office upto the date of this Annual General Meeting, and who is eligible for reappointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

8. "To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution":

"RESOLVED THAT pursuant to the provisions of Sections 100 to 103 and other applicable provisions, if any of the Companies Act, 1956, Article 55 of Articles of Association of the Company and subject to confirmation of the Hon'ble High Court of Judicature at Bombay or National Company Law Tribunal (NCLT) and/or any other regulatory authorities and subject to such other approvals, consents, as may be necessary for the purpose under any rules, regulations of any authority, the existing paid up Equity share capital of the Company be and is hereby reduced from Rs.3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each fully paid up to Rs.30,00,000/- (Rupees Thirty Lakhs only) divided into 30,00,000 Equity Shares of Re.1/- (Rupee One only) each and that such reduction be effected by cancelling of Rs.9/- (Rupees Nine only) per share on 30,00,000 Equity Shares amounting to Rs.2,70,00,000/- (Rupees Two Crores and Seventy Lakhs only) in the existing paid up Equity Share Capital which is lost or unrepresented by the available assets i.e. Debit balance in Profit and Loss Account."

"RESOLVED FURTHER that pursuant to the provisions of Section 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956, Article 55 of the Articles of Association of the Company and subject to the confirmation of Hon'ble High Court of Judicature at Bombay or the National Company Law Tribunal (NCLT) and / or any other regulatory authorities as may be prescribed under the Companies Act, 1956, an amount of Rs.2,70,00,000/- on cancellation of Rs.9/- (Rupees Nine only) per share on 30,00,000 Equity Shares be utilized for adjustment of part of the debit balance of the Profit and Loss Account to the extent of Rs.2,70,00,000/-."

"RESOLVED FURTHER that upon such reduction of Equity Share Capital as confirmed by the Hon'ble High Court of Judicature at Bombay or NCLT and reduction becoming effective, the Board of directors of the company, after fixing the record date, be and is hereby authorized to issue new share certificates representing the reduced Equity Share capital with new distinctive numbers consequent to the reduction of the Equity Share capital as aforesaid subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules 1960 and where Members hold Equity Shares (or opt to receive the reduced Equity

Shares) in dematerialized form, the reduced Equity Shares in lieu thereof be credited to the respective beneficiary accounts of the Members with their respective Depository Participants."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate / constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to lodge an application / petition to the High court of judicature at Bombay or NCLT for obtaining an order confirming the reduction of share capital and to sign and verify application / petition , appoint advocates, solicitors, advisors and to do all such acts, deed, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to reduction of Share Capital including passing such accounting entries and / or such other adjustments in the books of account as are considered necessary to give effect to this resolution or to carry out such modifications / directions as may be ordered by the Hon'ble High Court of Judicature at Bombay or NCLT and / or any other regulatory authority as may be applicable, to implement this resolution."

Dated: 4th August, 2011

Registered Office:

14/B - 318, Merchant Chambers
Sector - 19, Vashi
Navi Mumbai-400 705

For **Jhaveri Weldflux Limited**

Sd/-

Jayesh Jhaveri

Chairman and Executive Director

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, to vote instead of himself and such proxy need not be a member of the company.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting. Members/ Proxies should bring the attendance slip duly filled for attending the meeting. Members are requested to bring copy of their Annual Report. No additional copies will be provided at the venue.

3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 In respect of the items of Special Business as set out above is annexed.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September, 2011 to 29th September, 2011(both days inclusive).
5. As required under Clause 49 IV(G) of the Listing Agreement, details of the Directors, seeking appointment and re-appointment at the ensuing Annual general Meeting are as follows:

Name of Director	Mr. Atul A. Mehta	Mr. Nimesh S. Joshi	Mr. Mandar S. Palav	Mr. Mitesh H. Dani	Mr. Ashish S. Pandare
Date of Birth	15/04/1972	16/05/1965	13/07/1983	09/11/1974	15/01/1986
Date of Appointment	18/11/2010	18/11/2010	18/11/2010	18/11/2010	02/06/2011
Qualification	B.Com	B.Com, FCS, LLB.	B.Com, ACS	Undergraduate	B.Com
Expertise in specific functional areas	Managerial and Finance	Managerial, Administrative and Legal areas	Compliance and Secretarial Areas	Administraion	Administraion
Chairman / Member of the committee of other companies*	NIL	1	NIL	NIL	1

*Directorships of Private Limited Companies not considered.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Annexed to the Notice convening the Twentieth Annual General Meeting to be held on Thursday, the 29th September, 2011.

Item No. 3

Mr. Atul Anantrai Mehta was co-opted as an Additional Director of the Company with effect from 18th November, 2010 pursuant to Section 260 of the Companies Act, 1956 read with the Article 86 of the Articles of Association of the Company. Mr. Atul Mehta holds the office upto the Date of the Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Mr. Atul Mehta for the office of the Director.

None of the Directors of the Company other than Mr Atul Anantrai Mehta are interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Mr. Atul Mehta, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution set forth in the Item No. 3 for the approval of the members.

Item No. 4

Mr. Nimesh S. Joshi was co-opted as an Additional Director of the Company with effect from 18th November, 2010 pursuant to Section 260 of the Companies Act, 1956 read with the Article 86 of the Articles of Association of the Company. Mr. Nimesh S. Joshi holds the office upto the Date of the Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Mr. Nimesh S. Joshi for the office of the Director.

None of the Directors of the Company other than Mr. Nimesh S. Joshi are interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Mr. Nimesh Joshi, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution set forth in the Item No. 4 for the approval of the members.

Item No. 5

Mr. Mandar S. Palav was co-opted as an Additional Director of the Company with effect from 18th November, 2010 pursuant to Section 260 of the Companies Act, 1956 read with the Article 86 of the Articles of Association of the Company. Mr. Mandar S. Palav holds the office upto the Date of the Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Mr. Mandar S. Palav for the office of the Director.

None of the Directors of the Company other than Mr. Mandar S. Palav are interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Mr. Mandar S. Palav, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution set forth in the Item No. 5 for the approval of the members.

Item No. 6

Mr. Mitesh H. Dani was co-opted as an Additional Director of the Company with effect from 18th November, 2010 pursuant to Section 260 of the Companies Act, 1956 read with the Article 86 of the Articles of Association of the Company. Mr. Mitesh H. Dani holds the office upto the Date of the Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Mr. Mitesh H. Dani for the office of the Director.

None of the Directors of the Company other than Mr. Mitesh. H. Dani are interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Mr. Mitesh H. Dani, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution set forth in the Item No. 6 for the approval of the members.

Item No. 7

Mr. Ashish S. Pandare was co-opted as an Additional Director of the Company with effect from 2nd June, 2011 pursuant to Section 260 of the Companies Act, 1956 read with the Article 86 of the Articles of Association of the Company. Mr. Ashish S. Pandare holds the office upto the Date of the Annual General Meeting.

The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Mr. Ashish S. Pandare for the office of the Director.

None of the Directors of the Company other than Mr. Ashish S. Pandare are interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Mr. Ashish S. Pandare, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution set forth in the Item No. 7 for the approval of the members.

Item No. 8

The Board of Directors of the Company at their meeting held on 4th day of August, 2011 has considered necessary to undertake a scheme of financial restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

The balance in Profit & Loss Account (debit) as at 31st March, 2011 was Rs.2,80,09,532/-. The accumulated losses are on account of high cost of production resulting to decline in sales of the company.

The company is engaged in the business of welding consumables. Due to high cost of power, being the essential input for welding activity, the company experienced increase in the cost of production and further leading to lower inventory turnover for the company.

All the efforts of the company to diversify and expand its market base did not materialize due to pricing constraints and stiff competition.

The company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write up part of the debit balance in Profit & Loss account to the extent of Rs.2,70,00,000/- by reduction of Rs.9/- per share on 30,00,000 Equity Shares in the existing paid up Equity Share Capital amounting to Rs.2,70,00,000/- in accordance with the provisions of Sections 100 to 103 of the Companies Act, 1956 (hereinafter referred to as "the Act").

The pre and post Capital Structure of the Company is as under:

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
<u>Authorised Share Capital</u>		<u>Authorised Share Capital</u>	
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000 Equity Shares of Re.1/- each	5,00,00,000
Total	5,00,00,000	Total	5,00,00,000

Issued, Subscribed and Paid up Share Capital: 30,00,000 Equity Shares of Rs.10/- each	3,00,00,000	Issued, Subscribed and Paid up Share Capital: 30,00,000 Equity Shares of Rs.1/- each	30,00,000
Total	3,00,00,000	Total	30,00,000

The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value. Further, there would be a positive impact on the various key financial ratios such as Net Profit Margin, Return on Capital Employed, and Return on Net worth etc.

The restructuring will also not cause any prejudice to the creditors of the Company. For stake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditor of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. There is no actual cash outflow. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.

The Board of Director, in consultation with the Stock Exchange where the shares of the company are listed, will fix the record date for Reduction of Equity share Capital.

The pre and post reduction share holding pattern is as under:

Category of Shareholder	Number of Shares (pre reduction) of Rs.10/- each	Pre Reduction %	Number of Shares (post reduction) of Re.1/- each	Post Reduction %
Promoter and Promoter Group	10,07,000	33.57	10,07,000	33.57
Financial Institutions/Banks	3,300	0.11	3,300	0.11
Bodies Corporate	70,786	2.36	70,786	2.36
Individuals	17,93,714	59.79	17,93,714	59.79
Any others (OCBs, NRI)	1,25,200	4.17	1,25,200	4.17
GRAND TOTAL	30,00,000	100.00	30,00,000	100.00

There is no change in the pre and post reduction shareholding pattern of the company.

Article 55 of the Articles of Association of the Company permits the reduction of Share Capital.

The Resolution at Item No.8 is subject to the confirmation of the Hon'ble High Court of Judicature at Bombay / NCLT and / or approval of such other regulatory authority as may be required according to the laws in force.

The Board of Directors commends the resolution for acceptance by the Members.

None of the Directors of the Company is concerned or interested in this resolution, except as Shareholders in general.

Dated: 4th August, 2011

Registered Office:

14/B - 318, Merchant Chambers

Sector - 19, Vashi

Navi Mumbai-400 705

For **Jhaveri Weldflux Limited**

Sd/-

Jayesh Jhaveri

Chairman and Executive Director

DIRECTORS' REPORT

The Directors are pleased to present before the shareholders the 20th ANNUAL REPORT together with the Audited Accounts along-with the report of the Auditors for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. In Lacs)	
Particulars	March 2011	March 2010
Turnover	7.01	2.08
Loss before Interest and depreciation	(2.16)	(1.21)
Interest	-	-
Loss after interest but before depreciation	(2.16)	(1.21)
Depreciation	-	-
Loss after interest and Depreciation	(2.16)	(1.21)
Loss before Tax	(2.16)	(1.21)
Taxation	-	-
Loss after Tax	(2.16)	(1.21)
Balance Carried to balance sheet	(2.16)	(1.21)

PERFORMANCE OF THE COMPANY

The company has cleared off all its secured liabilities except deferred sales tax liabilities amounting to Rs.9,80,425/-. The total debtors of the company are Rs. 28,94,435 out of which nearly 97.73% amounting to Rs.28,28,727 are more than six months old out of which court cases for 94.30% Rs. 26,67,613 have been filed. Presently, the Company is not carrying out any manufacturing activities and has concentrated on small amount of trading and commission business. The Company is also exploring the possibilities of tie-ups with some healthy and profitable units for the future growth and expansion of the Company.

The trading of the company's shares has been suspended on the stock exchanges due to non compliance of the listing agreement. However, after complying with the necessary formalities the Company's shares got re-listed on BSE on 30th May, 2011. Your Company has paid the annual listing fees to the BSE.

DIVIDEND

In view of the losses being suffered by the company and the capital & reserves of the company being wiped out by nearly 93.37% the directors are not in a position to declare any dividends and so dividend is not recommend for the year.

DIRECTORS

Mr. Atul A. Mehta, Mr. Nimesh S. Joshi, Mr. Mandar S. Palav and Mr. Mitesh H. Dani have been inducted on the Board of Directors with effect from 18th November 2010. Mr. Ashish S. Pandare has been inducted on the Board of Directors with effect from 2nd June 2011.

The Board has approved the appointment of the above directors and now to regularize their appointment the Board has placed the resolutions for the appointment of Directors before the shareholders for their consent.

Mr. Hemant J. Jhaveri and Mrs. Kavita J. Jhaveri have resigned from the Board with effect from 18th November 2010.

The Board places on record their appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- ii) 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, 2011 and of the profits (losses) incurred by the Company for the year ended on that date.
- iii) 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 others irregularities:
- iv) 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 provision 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 stopped its production activities no efforts were made towards conservation of energy.

B. TECHNOLOGY ABSORPTION:

I. RESEARCH & DEVELOPMENT:

1. Specific Area in which Research Development carried out by the Company : Research and development work was not undertaken as there were on Production activity.
2. Benefit derived as a result of above Research & Development : No benefits
3. Future plan of action At present the company is making all efforts to recover Its dues from its debtors and clear all its liabilities,

4. Expenditure on Research & Development.	2010	2011
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:

1. Effort made towards technology absorption: Technology used in production process was only indigenous and largely due to in house Research & Development. At present there is No research & Development activity
2. Benefit derived: Company was self sufficient in technology which helped in product and process improvement and cost reduction
3. Information regarding imported technology during the last five year: 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 there under.

AUDITORS

Mr. Hiteshkumar Shah, Chartered Accountants, retire as Auditors of the Company at the end of the ensuing Annual General Meeting and being eligible, has 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 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**

Sd/-

Jayesh Jhaveri

Chairman and Executive Director

Date : 4th August, 2011.

Place : Vashi, Navi Mumbai

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been uploading fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2010-11 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2011.

Board of Directors

I. Composition and Category

The Board of Directors of the Company is composed of committed persons with considerable experience in varied fields. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Board consists of Ten (10) directors, which include four (4) Executive Director, two (2) Non-executive Director and four (4) independent directors.

Name of Director	Executive/Non-Executive /Independent	No. of outside Directorship(s) held (Public)
Pankaj Prafull Jhaveri	Executive	NIL
Kavita Jhaveri*	Promoter	NIL
Hemant Jhaveri*	Promoter	NIL
Atul Anantra Mehta	Non-executive	NIL
Jayesh Prafull Jhaveri	Executive	NIL
Nimesh Shambhulal Joshi	Non-executive	1
Mandar Subhash Palav	Independent Director	1
Mitesh Hasmukhlal Dani	Independent Director	NIL
Gaurav Arun Sheth	Independent Director	NIL
Ashish Shankar Pandare	Independent Director	1

(*) Resigned on 18th November, 2010.

II. Board Meetings, attendance, position held in meetings

The Board met eight (8) times on 19.04.2010, 13.06.2010, 18.08.2010, 20.09.2010, 14.10.2010, 18.11.2010, 23.12.2010, 31.01.2011. Notices of the meetings with agenda along with necessary details were sent to the directors in time.

The names and categories of the Directors, their attendance at Board meetings and General Meeting as also position held by them in committees of other public limited companies as on 31st March, 2011 are given below:

Name of Directors	Category of Directors	No. of Board Meetings held during 2010-11	No. of Board Meetings attended during 2010-11	Whether attended last AGM	Number of Directorship in other Public Limited Companies	Chairmanship/ membership in other Public Limited Companies
Jayesh P. Jhaveri	Executive Director	8	8	Yes	NIL	NIL
Pankaj P. Jhaveri	Executive Director	8	8	Yes	NIL	NIL
Gaurav A. Sheth	Non-executive Director	8	8	Yes	NIL	NIL
Atul A. Mehta	Non-executive Director	8	3	No	NIL	NIL
Nimesh S. Joshi	Non-executive Director	8	3	No	1	1
Mandar S. Palav	Independent Director	8	3	No	1	NIL
Mitesh H. Dani	Independent Director	8	3	No	NIL	NIL
Kavita Jhaveri	Non-executive Director	8	5	Yes	NIL	NIL
Hemant Jhaveri	Non-executive Director	8	5	Yes	NIL	NIL
Ashish Pandare	Independent Director	8	-	No	1	1

III. Information on Directors Appointment/Re-appointment

Not Applicable.

IV. Audit Committee

Audit Committee, during the year under review, comprise of four members out of them one is independent director. Mr. Gaurav Sheth, Independent Director, is the Chairman of the Audit committee; and Mr. Jayesh Jhaveri, Executive Director, Mr. Nimesh Joshi, Non-executive Director, and Mr. Mandar Palav, Independent Director of the Company are members to the committee.

Committee met on 13.06.2010, 20.09.2010, 18.11.2010, 31.01.2011 and 25.02.2011 for perusal of financial position, un-audited quarterly result and for Limited Review Report and also met on 05.06.2011 for the finalization of account for the year ended on 31.03.2011. The Accounts and Financial position persued by the Audit Committee were placed before the board for their consideration.

Attendance

Sr. No.	Name of the Members	Number of meetings attended
1	Mr. Jayesh Jhaveri	6
2	Mr. Nimesh S. Joshi	3
3	Mr. Gaurav Sheth	6
4	Mr. Mandar S Palav	3

V. SHARE TRANSFER COMMITTEE /INVESTOR GRIEVANCE COMMITTEE:

The Investors'/ Shareholders' Grievance Committee comprise of four members chaired by Mr. Mandar S Palav, an Independent Director. The Committee looks into the redressal of investors' complaints such as delay in transfer of equity shares, request for transmission of shares, issue of duplicate share certificates, non receipt of declared dividends/ annual reports etc.

During the financial year 2010-11, the Investors' Grievance Committee met five (5) times on 19.04.2010, 18.08.2010, 14.10.2010, 31.01.2011 and 25.02.2011.

Investors' Grievance Committee comprised of the following members:

Sr.No.	Name	Status	No. of meeting attended
1	Mr. Mandar S. Palav	Chairman @ (I)	2
2	Mr. Gaurav Sheth	Member (I)	5
3	Mr. Jayesh Jhaveri	Member @ (Exe.)	5
4	Mr. Nimesh S. Joshi	Member # (NE & I)	2

Shares of the company are also available for dematerialization.

Non-Executive & Independent, @ Executive

VI. Exclusive email-ids:

Further as per clause 47 (f) of the Listing Agreement, the company has designated exclusive Email id: investors@jhaveriweldflux.com for grievance redressal service department for the purpose of registering complaints by investor. For, prompt disposal of any query or any matters Shareholders may contact to the Registrar and Share Transfer Agent and under the above referred email id.

VII. REGISTRAR AND SHARE TRANSFER AGENT:

The company has appointed M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) Unit: Jhaveri Wedlflux Limited as Registrar and Share Transfer Agent.

VIII. MEANS OF COMMUNICATION:

The quarterly/half yearly /yearly financial results are published in English and in Marathi language news paper. More over necessary reports and certificates as required by the listing agreement are sent to Bombay Stock Exchange Ltd.

IX. MARKET PRICE DATA:

There were no trading due to suspension in trading of the shares on Bombay Stock Exchange Limited during the year 2010-11 but same has been revoked by BSE on May 30, 2011 and hence month wise trading detail are not available.

X. MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Management discussion and analysis has been given separately in this Annual Report and form part of this report.

XI. GENERAL BODY MEETINGS

a. Particulars of AGM held during last three years:

Financial Yr	Date	Location of the Meeting	Time	Nos. of Special Resolutions Passed
2009-2010	25.09.2010	Panchayat Samiti Hall Khalapur, Raigad, Maharashtra	11.00 A.M.	One
2008-2009	29.08.2009	Panchayat Samiti Hall Khalapur, Raigad, Maharashtra	11.00 A.M.	Nil
2007-2008	27.09.2008	Panchayat Samiti Hall Khalapur, Raigad, Maharashtra	11.00 A.M.	Nil

In the last three years special resolutions as set out in their respective notices for AGM's were passed by shareholders.

XII. COMPLIANCE OFFICER:

As on date Mr. Ashish S. Pandare, is acting as the Compliance Officer of the company.

XIII. LISTING

The Equity Shares of the company are listed at Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd. Your Company has paid the annual listing fees to the BSE.

XIV. STOCK CODE

- (1) Trading Scrip Code at Bombay Stock Exchange Ltd.: 522233
- (2) Demat ISIN number in NSDL/CDSL for equity Shares held: INE674D01018

XV. BOOK CLOSURE:

For updating records and shareholding information of the members of the company, the Share Transfer Books and Register of Members shall remain closed from 20.09.2011 to 29.09.2011 (both days inclusive)

XVI. DISTRIBUTION OF SHAREHOLDING PATTERN:

Category	Shares	% of total
Promoters-		
Total Promoters Group	10,07,000	33.57
Banks, Financial Institutions, Mutual Funds	3,300	0.11
Public	19,89,700	66.32
In Transit	0	0.00
Total	30,00,000	100.00

Distribution Schedule: As on 31.03.2011

No. of Shares		No. of Shareholder	% of Shareholder	No. of Shares		% of Shares
From	To			Shares	Shares	
01	2,500	5769	82.75	6693600	22.31	
2,501	5,000	688	9.87	2786500	9.29	
5,001	10,000	266	3.82	2184500	7.28	
10,001	20,000	145	2.08	2137010	7.12	
20,001	30,000	32	0.46	828990	2.76	
30,001	40,000	18	0.26	643000	2.14	
40,001	50,000	13	0.19	615000	2.05	
50,001	1,00,000	29	0.42	2294720	7.65	
1,00,001	ABOVE	12	0.17	11816680	39.39	
TOTAL		6972	100.00	30000000	100.00	

XVII. REGISTERED OFFICE:

The registered office of the Company is situated at 14/B - 318, Merchant Chambers, Sector-19 Vashi, Navi Mumbai, Maharashtra - 400705.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2011.

INDUSTRY STRUCTURE, DEVELOPMENT:

The Company is operating in the welding consumables industries.

PERFORMANCE & SEGMENT-WISE PERFORMANCE:

The company has cleared off all its secured liabilities except deferred sales tax liabilities amounting to Rs.9,80,425/-. The total debtors of the company are Rs. 28,94,435 out of which nearly 97.73% amounting to Rs.28,28,727 are more than six months old out of which court cases for 94.30% Rs. 26,67,613 have been filed. Presently, the Company is not carrying out any manufacturing activities and has concentrated on small amount of trading and commission business. The Company is also exploring the possibilities of tie-ups with some healthy and profitable units for the future growth and expansion of the Company.

The trading of the company's shares has been suspended on the stock exchanges due to non compliance of the listing agreement. However, after complying with the necessary formalities the Company's shares got re-listed on BSE on 30th May, 2011. Your Company has paid the annual listing fees to the BSE.

OPPORTUNITIES AND THREATS

The positive growth especially in the LPG Bottling capacity in particular and the overall infrastructure developments resulting in fresh requirements of welding consumables continues to give comfort to the company as it will help the company to cater its products for the fresh demand in general and also help in its recovery of dues from its existing customers. In addition the company has already identified other areas of operation. Upon freezing this options the Board will take appropriate decision in the best interest of the Company. The threats to the segments in which the company operates are volatility in Exchange rate, pricing pressure arising due to competition from low cost suppliers, technology upgradation; sever competition among competitor and newly emerging competitive nations and stricter environment laws. Further, the Indian economy is now integrated with the world economy to a very large extent and therefore vulnerable to the direct impact of global slowdown; such an impact could adversely affect the Company's performance as well. Therefore, the company has decided to close down the manufacturing activity & concentrate on the trading activities and exploring the possibilities

of merger of the Company with profit making and financially strong Company having good potentials for future growth.

STRENGTH

The existing management has a strong technical, finance and administrative expertise in various industries and corporate sectors including the business of the Company.

RISKS AND CONCERNS

Your company is working essentially in global market place. The welding Industries is undergoing a vast technological up gradation resulting in newer manufacturing techniques at lower cost of production and improved technical qualities. However since the company is into trading activity It is attributed to all the risk and concerns attached with the trading industries as a whole.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The relations with workers and staff are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's

operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

By Order of the Board of Directors
FOR **JHAVERI WELDFLUX LIMITED**

Sd/-

Jayesh Jhaveri

Chairman and Executive Director

Date : 4th August, 2011.

Place : Vashi, Navi Mumbai

DECLARATION UNDER CODE OF CONDUCT

To,
The Shareholders
Jhaveri Weldflux Limited
Mumbai.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members have confirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

For and on behalf of the Board of Directors
FOR **JHAVERI WELDFLUX LIMITED**

Sd/-

Jayesh Jhaveri

Chairman

Date : 4th August, 2011.

Place : Vashi, Navi Mumbai

CEO/CFO CERTIFICATION

To,
The Board of Directors
Jhaveri Weldflux Limited

I do hereby certify that:

- (a) I have reviewed financial statements and the Cash Flow statement for the year 31.03.2011 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations,
- (b) There are to the best of my Knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or in violation of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committees.
- (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors
FOR JHAVERI WELDFLUX LIMITED

Sd/-

Jayesh Jhaveri
Chairman

Date : 4th August, 2011.
Place : Vashi, Navi Mumbai

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the member of
JHAVERI WELDFLUX LIMITED

We have examined the compliance of conditions of Corporate Governance by Jhaveri Weldflux Limited ('the Company') for the year ended March 31, 2011, as stipulated in amended 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 examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of 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, the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in amended Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending as on 31st March, 2011 no other investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders/ Investors Grievance Committee.

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.

Place: MUMBAI
Date : 04th August, 2011.

For **Hiteshkumar P. Shah**
Chartered Accountant
Hiteshkumar P. Shah
(Proprietor)
M. No. 45782

AUDITOR'S REPORT TO THE MEMBERS OF JHAVERI WELDFLUX LIMITED

1. We have audited the attached Balance Sheet of Jhaveri Weldflux Limited as at March 31, 2011 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.
2. 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.
3. 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.
4. 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, 2011 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, 2011; and
- b) in the case of the Profit and Loss Account, of the loss 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.

Place: MUMBAI

Date : 04th August, 2011.

For **Hiteshkumar P. Shah**

Chartered Accountant

Hiteshkumar P. Shah

(Proprietor)

M. No. 45782

Annexure To Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF JHAVERI WELDFLUX LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011.

- 1) (a) The Company has no Fixed Assets as on 1st April, 2010 and as on 31st March, 2011.
(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, 2011 is Rs. 6,04,116/-.
- 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.

Place: MUMBAI

Date : 04th August, 2011.

For **Hiteshkumar P. Shah**
Chartered Accountant
Hiteshkumar P. Shah
(Proprietor)
M. No. 45782

BALANCE SHEET AS AT 31ST MARCH, 2011

(In Rupees)

PARTICULARS	SCHEDULE NOS.	RUPEES 31.3.2011	RUPEES 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
CAPITAL	1	30,000,000	30,000,000
RESERVES & SURPLUS	2	(28,009,532)	(27,793,274)
		1,990,468	2,206,726
LOAN FUNDS			
UNSECURED LOANS	3	3,293,553	3,474,694
		3,293,553	3,474,694
		<u>5,284,020</u>	<u>5,681,420</u>
APPLICATION OF FUNDS			
INVESTMENTS	4	250,212	250,212
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORY	5	10,244	6,239
SUNDRY DEBTORS	6	2,894,435	3,492,082
CASH & BANK BALANCES	7	16,263	98,769
LOANS & ADVANCES	8	141,764	592,986
		3,062,706	4,190,076
LESS : CURRENT LIABILITIES & PROVISIONS	9	604,116	1,419,243
NET CURRENT ASSETS		2,458,590	2,770,833
MISCELLANEOUS EXPENDITURE	10	2,575,218	2,660,373
(To extent not written off or adjusted)		<u>5,284,020</u>	<u>5,681,420</u>
Notes to accounts	15		

AS PER REPORT OF EVEN DATE
For Hiteshkumar P. Shah

FOR & ON BEHALF OF THE BOARD OF
JHAVERI WELDFLUX LIMITED

Sd/-
Hiteshkumar P. Shah
Proprietor
M.No.45782

Sd/-
Jayesh Jhaveri
(Exe. Director)

Sd/-
Mandar Palav
(Director)

Place & Date: MUMBAI 04th August, 2011.

Profit and Loss Account for the period ended 31st March, 2011

(In Rupees)

PARTICULARS	SCHEDULE NOS.	RUPEES 31.3.2011	RUPEES 31.03.2010
INCOME			
SALES & OTHER INCOME	11	701,394	207,704
EXPENDITURE			
MATERIAL CONSUMED	12	442,570	113,015
MANUFACTURING EXPENSES	13	31,050	9,950
ADMN. AND SELLING EXP.	14	358,878	120,528
PRELIMINARY EXPENSES W/O		85,155	85,155
		<u>917,652</u>	<u>328,648</u>
PROFIT BEFORE DEPRECIATION		(216,258)	(120,944)
DEPRECIATION		0	0
PROFIT/(LOSS) BEFORE TAX		(216,258)	(120,944)
PROFIT AVAILABLE FOR APPROPRIATION AS UNDER:		(216,258)	(120,944)
Add: Balance carried from earlier years		(27,793,274)	(27,672,330)
BALANCE CARRIED TO BALANCE SHEET		<u>(28,009,532)</u>	<u>(27,793,274)</u>

Notes to accounts 15

AS PER REPORT OF EVEN DATE
For Hiteshkumar P. Shah

FOR & ON BEHALF OF THE BOARD OF
JHAVERI WELDFLUX LIMITED

Sd/-
Hiteshkumar P. Shah
Proprietor
M.No.45782

Sd/-
Jayesh Jhaveri
(Exe. Director)

Sd/-
Mandar Palav
(Director)

Place & Date: MUMBAI 04th August, 2011.

SCHEDULE FORMING PART OF THE BALANCE SHEET

Particulars	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<u>SCHEDULE-1</u>		
SHARE CAPITAL:		
Authorised:		
50,00,000 Equity shares of Rs. 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed & paid up capital:		
30,00,000 equity shares of Rs. 10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
<u>SCHEDULE-2</u>		
RESERVES AND SURPLUS:		
(Deficit) in Profit & Loss Account	<u>(28,009,532)</u>	<u>(2,77,93,274)</u>
TOTAL	<u>(28,009,532)</u>	<u>(2,77,93,274)</u>
<u>SCHEDULE-3</u>		
UNSECURED LOAN		
From Others	3,233,552	29,71,261
From Directors	<u>60,001</u>	<u>5,03,433</u>
TOTAL	<u>3,293,553</u>	<u>34,74,694</u>
<u>SCHEDULE-4</u>		
INVESTMENTS (AT COST)		
(a) Quoted	(Price per Unit)	
10000 Equity Shares of Griffin Chemicals Ltd. 20.50	2,05,000	2,05,000
1000 Equity Shares of Rishabh Industries Ltd. 31.45	31,450	31,450
500 Equity Shares of Real Value Appliances Ltd. 84.54	<u>13,762</u>	<u>13,762</u>
TOTAL	<u>2,50,212</u>	<u>2,50,212</u>
<u>SCHEDULE-5</u>		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	10,244	6,239
Finished Goods	<u>0</u>	<u>0</u>
TOTAL	<u>10,244</u>	<u>6,239</u>

Particulars	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<u>SCHEDULE-6</u>		
SUNDRY DEBTORS (Unsecured, considered good)		
Outstanding for more than six months	2,828,727	34,13,721
Others	65,708	78,361
TOTAL	<u>2,894,435</u>	<u>34,92,082</u>
<u>SCHEDULE-7</u>		
CASH AND BANK BALANCES		
Cash on hand	6,659	12,214
Balances with Scheduled Banks in Current Account		
Central Bank of India (Sion)	0	5,648
State Bank of India (Khopoli)	0	50,888
Union Bank of India	9,603	12,419
State Bank of India (Vashi)	0	17,600
TOTAL	<u>16,263</u>	<u>98,769</u>
<u>SCHEDULE-8</u>		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances to others	0	4,51,222
Deposits	6,000	6,000
Duties & Taxes	0	0
Income Tax & TDS recoverable	135,764	135,764
TOTAL	<u>141,764</u>	<u>592,986</u>
<u>SCHEDULE-9</u>		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	0	29,250
Others	604,116	1,389,993
TOTAL	<u>604,116</u>	<u>1,419,243</u>

Particulars	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<u>SCHEDULE-10</u>		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses :	168,076	173,458
Less : 1/10th Preliminary Expenses Written Off	<u>5,382</u>	<u>5,382</u>
A	162,694	168,076
Public Issue Expenses :	2,492,297	2,572,070
Proportionate Public Issue Expenses Written Off	<u>79,773</u>	<u>79,773</u>
B	2,412,524	2,492,297
TOTAL	<u><u>2,575,218</u></u>	<u><u>2,660,373</u></u>
<u>SCHEDULE-11</u>		
SALES AND OTHER INCOME		
Sales	698,139	185,749
	<u>0</u>	<u>0</u>
	698,139	185,749
Less: Sales returned	<u>698,139</u>	<u>185,749</u>
	698,139	185,749
Other Income	<u>3,255</u>	<u>21,955</u>
	701,394	207,704
TOTAL	<u><u>701,394</u></u>	<u><u>207,704</u></u>

Particulars	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
<u>SCHEDULE-12</u>		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	6,239	23,629
	<u>6,239</u>	<u>23,629</u>
Add : Purchases of Raw Material (A)	417,855	95,625
	<u>417,855</u>	<u>95,625</u>
Add : Purchase of Packing Materials	28,720	0
	<u>446,575</u>	<u>95,625</u>
	<u>(A+B)</u> 452,814	<u>119,254</u>
Less : Closing Stock of Raw Materials	10,244	6,239
	<u>(C)</u> 10,244	<u>6,239</u>
TOTAL	<u><u>((A+B)-C)</u></u> 442,570	<u><u>113,015</u></u>

SCHEDULE-13

MANUFACTURING EXPENSES

Transport Charges + Pkg. & Fwding	31,050	9,950
TOTAL	<u><u>31,050</u></u>	<u><u>9,950</u></u>

SCHEDULE-14

ADMINISTRATIVE EXPENSES

Advertisement Expenses		
Account Writing Charges + Profession Charges		
Auditors Remuneration	20,000	20,000
Bank charges	938	660
Books & Periodical Expenses	2,731	2,959
Insurance Expenses	1149	0
Listing Fees & NSDL CDSL Connectivity Charges / ROC Fee	112,108	52,500
Miscellaneous Expenses / Maint Expenses / Office Expenses	18,678	0
Printing & Stationery Expenses	8,100	0
Rent, Rates & Taxes (CST Cess)	36,000	15,000
Sales Tax	0	11,167
Toll Charges	0	60
Transport	22,900	7,835
Travelling	0	10,347
Registrars & Transport Agents Fee	136,274	0
Total	<u><u>358,878</u></u>	<u><u>120,528</u></u>

SCHEDULE 15

NOTES FORMING PARTS OF ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES

A) System Of Accounting

1. The Financial Statement have been prepared under the historical cost convention in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India and provisions contain in Section 211 (3C) the Companies Act, 1956 as adopted consistently by the Company.
2. The Company Generally follows mercantile system of accounting and recognizes Significant items of income & expenditure on accrual basis.
3. The company's unit as been established in a backward area of Khalapur. According to the "Exemption/Deferral-1988" Scheme of the Government of Maharashtra such units are Untitled to differ sales tax payments to future years. The Companies has accordingly not paid a sum of Rupees 11,89,707/- which are sales tax payable.
4. Taxes on Income : Company is making huge losses from previous three years and there is no virtual certainty of sufficient future taxable income, which will be available against which such losses can be set-off there fore calculation of differed tax assets as per accounting Standards-22 not shown in the final accounts.
5. Previous year figures are regrouped wherever necessary for the purpose of proper comparison with that of the current year and paise are rounded Off upto nearest rupee.

B) Fixed Assets and Depreciation :- There are no. Fixed Assets of the Company.

C) Investments :- Investments are valued at cost.

D) Inventories :- The stock as been valued at cost or market value, whichever is less.

E) Amortisation of Issue Expenses :-

Public Issue Expenses are amortised over a period of ten years subject to a maximum limit of 2.5% of Capital Employed

F) The concept of materiality is followed in the process of recognition, aggregation, classification & presentation of financial information.

Managerial remuneration : As at March 31, 2011 As at March 31, 2010

- | | | |
|---------------|--------|--------|
| 1. Salary | Nil | Nil |
| 2. Audit Fees | 20,000 | 20,000 |

3. In the opinion of the Directors, the current assets, loans and advances are approximately of the values as stated in the Balance Sheet, if realised in the ordinary course of the business and provision for all known rehabilitees have been made, and the same Is not in excess of the amount considered necessary

4. The Balance confirmation from Sundry Debtors and Sundry Creditors have not been obtained and as such the balances are, subject to confirmation and reconciliation, if necessary.

5. Stock-in-trade has been incorporate as taken, valued and Certify by the management and the the same is relied upon by the auditors.

6. Out of total trade debtors of Rs. 28,94,435/-, debtors to the extent of Rs. 28,28,727/- are more than six months old. The Management is making efforts to recover the dues and as such no provision for doubtful debts has been made in Accounts.

7. No provision has been made for income tax in view of loss for the year

G) Conversation/transaction of Foreign Currency Transaction
There is no Foreign Currency Transactions.

H) Recognition of amounts under 'Contingent Liabilities' and 'Capital Commitment' is considered only in case of items exceeding Rs. 50,000/- subject to this limit, contingent liabilities in respect of show cause notices are considered only when they are converted into demands.

	As at March 31, 2011	As at March 31, 2010
a) Claims against Company not acknowledge as debts	Nil	Nil
b) Capital Commitments	Nil	Nil
I) Related Party Disclosure : Information relating to Related Party transaction as per Accounting Standard-18 issued by the Institute of Chartered Accountants of Indian is given below:-		
A.	Name of Related Party	Relationship
	N.A.	N.A.
J) Quantitative information pursuant to the provision of para 3 and 4 of part-II of Schedule VI, as prepared by the management 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	0.00	0.00	0.00	0.00

C) Material Consumed

Product	Current Year		Previous Year	
	Qty in M.T.	qty Rupees	Qty in M.T.	qty Rupees
Mineral Ores	0.00	0.00	0.00	0.00

D) Details of Products traded during the year

	Current Year	Previous Year
	Qty in M.T.	Qty in M.T.
Opening Stock	.01370	.012
Purchases	3.0105	.6876
Closing Stock	.0407	.01370
	6239.23	23629.32
	4,46,575	100670.54
	10,244	6239.23

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

Flux & Wires	-	-
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F) CIF Value of Imports	-	-
G) Value of Stores & Spares Consumed		
Indigenous	100%	-
H) Expenditure in Foreign Currency	-	-
Earning in Foreign Currency	-	-
10. Managerial Remuneration: - (In Rupees)	Current year	Previous Year
Salaries	Nil	Nil
11. Remuneration to auditors is for the following services:-		
Audit fees	20,000	20,000
Tax Audit fees	Nil	Nil
12. <u>Segment Information:-</u>	The Company deals in one segment only and that is welding consumables.	
13. <u>Retirement Benefits:-</u>	Provision for Leave encashment and Gratuity has not been provided for during the year.	
14. <u>General:-</u>	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.	

AS PER REPORT OF EVEN DATE
For Hiteshkumar P. Shah

FOR & ON BEHALF OF THE BOARD OF
JHAVERI WELDFLUX LIMITED

Sd/-
Hiteshkumar P. Shah
Proprietor
M.No.45782

Sd/-
Jayesh Jhaveri
(Exe. Director)

Sd/-
Mandar Palav
(Director)

Place & Date: MUMBAI 04th August, 2011.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS			
	REGISTRATION NOS.	62568	STATE CODE	11
	BALANCE SHEET DATE	31.03.2011		
II	CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)			
	PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
	BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUND (AMOUNT IN RS. THOUSANDS)			
	TOTAL LIABILITIES	5,284	TOTAL ASSETS	5,284
	SOURCES OF FUNDS		APPLICATION OF FUNDS	
			NET FIXED ASSETS	NIL
	PAID UP CAPITAL	30,000	INVESTMENTS	250
	RESERVE & SURPLUS	(28,009)	NET CURRENT ASSETS	2,459
	SECURED LOAN	NIL	MISC. EXPENDITURE	2,575
	UNSECURED LOAN	3,294	ACCUMULATED LOSSES	28,009
IV	PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)			
	TURNOVER	701	TOTAL EXPENDITURE	918
	LOSS BEFORE TAX	216	LOSS AFTER TAX	216
	EARNING PER SHARE	0.00	DIVIDEND RATE %	NIL
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)			
	ITEMS CODE NO.	83119000	83111000	
	PRODUCT DESCRIPTION	Submerged Arc Welding Fluxes	Copper Coated Mild Steel Wires	

AS PER REPORT OF EVEN DATE
For Hiteshkumar P. Shah

FOR & ON BEHALF OF THE BOARD OF
JHAVERI WELDFLUX LIMITED

Sd/-
Hiteshkumar P. Shah
Proprietor
M.No.45782

Sd/-
Jayesh Jhaveri
(Exe. Director)

Sd/-
Mandar Palav
(Director)

Place & Date: MUMBAI 04th August, 2011.

CASH FLOW STATEMENT

PARTICULARS	PERIOD ENDED 31-03-2011	PERIOD ENDED 31-03-2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Extraordinary Items :	-216,258	-120,944
ADJUSTMENTS FOR :		
DEPRECIATION	0	0
INTEREST / DIVIDEND	0	0
PRELIMINARY EXPENSES W/OFF	85,155	85,155
DIFFERED REVENUE EXPENDITURE W/OFF	0	0
LOSS ON SALE OF INVESTMENTS	0	0
INTEREST PAID AND PRIOR YEAR I.TAX	0	0
	85,155	85,155
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-131,103	-35,789
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	597,647	74,652
INVENTORIES	4,005	17,390
TRADE PAYABLES	-815,127	-764,396
PREPAID EXPENSES	0	0
	-221,486	-672,354
CASH GENERATED FROM OPERATING ACTIVITIES	-352,589	-708,143
INTEREST PAID	0	0
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	-352,589	-708,143
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	0	0
PURCHASE OF INVESTMENTS	0	0
SALE OF INVESTMENTS	0	0
INTEREST RECEIVED	0	0
DIVIDEND RECEIVED	0	0
LOANS & ADVANCES	451,222	6,185
NET CASH USED IN INVESTING ACTIVITIES (B)	451,222	6,185
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDINGS FROM LONG TERM BORROWINGS	0	0
UNSECURED LOANS	-181,141	691,566
NET CASH USED IN FINANCING ACTIVITIES (C)	-181,141	6,91,566
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	-82,508	-10392
CASH & CASH EQUIVALENTS AT (OPENING BALANCE)	98,769	109162
CASH & CASH EQUIVALENTS AT (CLOSING BALANCE)	16,263	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

AS PER REPORT OF EVEN DATE

For Hiteshkumar P. Shah

Hiteshkumar P. Shah

Proprietor

M.No.45782

Place & Date: MUMBAI 04th August, 2011.

FOR & ON BEHALF OF THE BOARD OF

JHAVERI WELDFLUX LIMITED

Jayesh Jhaveri

(Exe. Director)

Mandar Palav

(Director)

AUDITORS CERTIFICATE

We have examined the above cash flow Statement of Jhaveri Weldflux Ltd. for the period ended 31-03-2011. 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, 2011 and Balance Sheet of the Company as on that date which have been duly audited by us.

AS PER REPORT OF EVEN DATE

For Hiteshkumar P Shah.

Chartered Accountants

Hiteshkumar P Shah (Proprietor) M.No. 45782

Place & Date : Mumbai 4th August, 2011

JHAVERI WELDFLUX LIMITED

Registered Office: 14/B - 318, Merchant Chambers, Sector-19 Vashi,
Navi Mumbai, Maharashtra - 400705.

PROXY FORM

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

I/We _____

of _____ in the district of _____ being a Member/

Members of above Company hereby appoint _____

of _____ in the district of _____ or failing him/

her _____ of _____ in the district of _____

as my/our proxy of vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th September, 2011 at 11:00 A.M. at the Shelter Palace, 4th Floor, Plot No.179/A, Sector-19C, Behind State Bank of India Building, Dana Bunder, Vashi, Navi Mumbai- 400705 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix Revenue
stamp of Rs 1

Signature _____

N.B. : This proxy form must be deposited at the registered office at 14/B - 318, Merchant Chambers, Sector-19 Vashi, Navi Mumbai, Maharashtra - 400 705, not less than 48 hours before the time of the meeting.

JHAVERI WELDFLUX LIMITED

Registered Office: 14/B - 318, Merchant Chambers, Sector-19 Vashi,
Navi Mumbai, Maharashtra - 400705.

ATTENDANCE SLIP

TWENTIETH ANNUAL GENERAL MEETING on 29th September, 2011

Reg. Folio No. _____

Full Name of the Member (in Block Letters) Mr. / Mrs. / Miss _____

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

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company at the Shelter Palace, 4th Floor, Plot No.179/A, Sector-19C, Behind State Bank of India Building, Dana Bunder, Vashi, Navi Mumbai-400705 on Thursday, the 29th September, 2011 at 11.00 A.M.

Full Name of Proxy (in Block Letters)

Member's/ Proxy's Signature

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



U.P.C. / BOOK-POST

To,

If undelivered please return to:
C/o Link Intime India Private Limited
Unit: **Jhaveri Weldflux Limited**
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai- 400078