

14TH ANNUAL REPORT 2000-2001

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WEIZMANN
LIMITED

BOARD OF DIRECTORS

Mr.N.N.Pai
Chairman

Mr. D.G. Siraj
Vice Chairman

Dr. P. D. Ojha
 Mr. J. M. Gandhi
 Mr. Achal A. Bakeri
 Mr. N. V. Siraj
 Mr. H. V. Siraj

Mr. Chetan D. Mehra
Managing Director

Mr. Suresh Krishnan
**Vice President &
 Company Secretary**

BANKERS

Union Bank of India
 Punjab & Sind Bank
 Bank of Baroda
 The Federal Bank Ltd.
 The Vysya Bank Ltd.
 State Bank of Mysore
 State Bank of Travancore
 The South Indian Bank Ltd.

AUDITORS

M/s. U.B.Sura & Co.
 Chartered Accountants

REGISTERED OFFICE

Empire House, 214, Dr.D.N.Road,
 Ent.A.K.Nayak Marg, Mumbai - 400 001.

PROCESS HOUSE

Vatva Road, Narol, Ahmedabad - 382 405.

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REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt.Ltd.,
 E-2, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (E), Mumbai - 400 072.
 Tel. No.8560652/8560653/8523474
 Fax No.8525207.

14TH ANNUAL GENERAL MEETING

On Saturday, the 29th September, 2001
 at 11.30 a.m. at Jade Garden Auditorium,
 3rd Floor, Nehru Centre, Dr.Annie Besant Road,
 Worli, Mumbai - 400 018.



NOTICE

Notice is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of **WEIZMANN LIMITED** will be held on **SATURDAY, SEPTEMBER 29, 2001** at **11.30 a.m.** at Jade Garden Auditorium, 3rd Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business :

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2001, the Balance Sheet as at that date together with the Reports of the Directors and Auditors.
- To declare dividend on Preference Shares and on Equity Shares.
- To appoint a Director in place of Mr. Achai A. Bakeri, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. N. V. Siraj, who retires by rotation, and, being eligible, offers himself for re-appointment.
- To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

- To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT Mr. H. V. Siraj who was appointed as an Additional Director of the Company by the Board of Directors of the Company on May 23, 2001 pursuant to Article 46 of the Articles of Association of the company and who holds office up to the date of 14th Annual General Meeting by reason of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

- To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), the Company be and is hereby authorized to invest in the share capital of the following companies by subscription, purchase or otherwise, in addition to securities already held in the said Companies, from time to time, subject to a maximum aggregate limit of Rs.10.50 Crores notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the guarantees so far given or to be given to all bodies corporate, exceeds the limits laid down by the Act.

Sr. No.	Name of the Body Corporate in which investment is proposed to be made.	Amount proposed to be invested (Rs. in Crores)
1.	Greenweiz Projects Ltd.	4.00
2.	Weizmann Capital Ltd.	4.00
3.	Tapi Energy Projects Ltd.	2.50

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investments including the timing, the amount and other terms and conditions of such investment and varying the same through transfer, sale, disinvestments or otherwise, either in part or in full, as it may, in its absolute discretion deem appropriate, subject to the limits specified above.

- To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) the Company hereby accords its approval to the furnishing of Corporate Guarantees to various banks/institutions on behalf of M/s. Weizmann Homes Ltd., for an amount of Rs.54.50 Crores.

- To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) the Company hereby accords its approval to the furnishing of Corporate Guarantees to Indian Renewable Energy Development Agency Ltd., (IREDA) on behalf of M/s. Karma Energy Ltd., for an amount of Rs.32.58 Crores.

- To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) the Company hereby accords its approval for consenting to continue its existing Corporate Guarantee to ICICI Bank Ltd. on behalf of M/s. Mitra Fidelity Ltd., for an amount of Rs.4.5 Crores.

By Order of the Board

Suresh Krishnan
Vice President
& Company Secretary

Place : Mumbai

Dated : August 27, 2001.

NOTES :

- Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business mentioned above is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY(S) SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
- The Register of Members and Share Transfer Books of the Company will be closed from September 18, 2001 to September 29, 2001 (both days inclusive).
- Dividend on preference and equity shares will be payable to those members whose names appear on the Company's Register of Members on September 29, 2001.
- Shareholders are requested to bring copies of the Annual Report to the Meeting.
- Shareholders are requested to notify change in address, if any, to the Registered Office of the Company quoting their Folio Numbers, on or before September 18, 2001.
- Resolutions pertaining to serial no. 8, 9 and 10 may require consent of the shareholders through postal ballot.

ANNEXURE TO NOTICE

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated August 27, 2001.

Item No.6:

Shri H. V. Siraj is a graduate from Bombay University having rich and varied experience in the field of textile processing and also in textile exports. It is felt that in view of his rich experience it would be beneficial for the Company to induct him as a Director.



Shri N. V. Siraj a relative of Shri H. V. Siraj may be deemed to be concerned or interested in the Resolution as set out under item no.6 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution set out under item no.6 as an Ordinary Resolution.

Item No.7:

Your Company has plans to invest in all these companies as mentioned in the Resolution set out at item No. 7. / Consolidate its holding in view of the potentialities and synergy with the objects of the Company. These investments would be made out of the surplus funds, if available with the Company.

Greenweiz Projects Ltd. and Tapi Energy Projects Ltd. are in the business of setting up of Wind farm Projects for generation of Energy. As one of the Focus areas of activity of your Company is setting up of wind farm projects, the Company feels that there would be lot of synergies in the area of operations and hence the proposal for investing in the share capital of both the Companies.

Your Company is already a major shareholder in Weizmann Capital Ltd. The proposed investment would be towards consolidating its holding in the said Company.

Shri Chetan D. Mehra and Shri D. G. Siraj would be deemed to be concerned or interested in the resolution set out at item no. 7 to the extent of their directorship / shareholding, if any in the above companies.

The Board of Directors of your Company recommend passing of the resolution set out under item no.7 as a Special Resolution.

Item No.8:

Weizmann Homes Limited is a Company co-promoted by your Company, in which your Company holds substantial interest by virtue of its investment therein. Weizmann Homes Limited is engaged in the business of providing long term housing finance.

For meeting the working capital and long term funds requirements of Weizmann Homes Limited and for expansion of existing/new business opportunities, your Company being the Promoter Company has given corporate guarantee's in favour of various banks/FII's in the previous year on behalf of Weizmann Homes Ltd as per details given below :-

Sr. No.	Name of the Bank/ Financial Institution	Amount (Rs. in Crores)
1.	National Housing Bank (NHB)	10.00
2.	Andhra Bank	3.00
3.	Dena Bank	5.00
4.	Canara Bank	5.00
5.	Union Bank of India	5.00
6.	Indian Overseas Bank	2.00
7.	National Housing Bank (NHB)	4.50
8.	Uco Bank	5.00
9.	National Housing Bank (NHB)	15.00
TOTAL		54.50

Section 372A of the Companies Act, 1956 permits the Company to invest in the Capital of other bodies corporate or make loans or provide guarantees or securities exceeding 60% of its paid-up capital and free reserves or 100% of its free reserves whichever is more to other bodies corporate only with the authority of the shareholders of the Company by a Special Resolution.

In case of granting corporate guarantees, Section 372A of the Companies Act, 1956 provides that the Board of Directors may give guarantee, without being previously authorized by a Special resolution if,

(a) a resolution is passed in a meeting of the Board of Directors authorizing to give guarantee.

(b) there exists exceptional circumstances which prevent the Company from obtaining previous authorization by a Special resolution passed in a general meeting for giving corporate guarantee; and

(c) the resolution passed at the meeting of the Board of Directors authorizing to give corporate guarantee is confirmed within twelve months, in a general meeting of the company held immediately after passing of the Board's resolution.

Shri D. G. Siraj, Shri Chetan D. Mehra, Dr. P. D. Ojha, Shri H. V. Siraj and Shri J. M. Gandhi also being Directors of Weizmann Homes Ltd. and Shri N. V. Siraj, a relative of a Director of Weizmann Homes Ltd. may be deemed to be concerned or interested in the resolution as set out under item no.8 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution by Postal Ballot.

Item No.9:

Karma Energy Limited a Joint Venture company promoted jointly by Weizmann Limited and Nuon International Projects B. V. Netherlands, in which your company holds interest by virtue of its investment therein is engaged in the business of setting up of Wind Farm Projects for generation of Power. For meeting the Project cost requirements of Karma Energy Limited and for expansion of existing/new business opportunities, your Company being the Promoter Company has given Corporate Guarantee in favour of Indian Renewable Energy Development Agency Ltd (IREDA) for Rs.32.58 Crores on behalf of Karma Energy Ltd.

Section 372A of the Companies Act, 1956 permits the Company to invest in the Capital of other bodies corporate or make loans or provide guarantees or securities exceeding 60% of its paid-up capital and free reserves or 100% of its free reserves whichever is more to other bodies corporate only with the authority of the Shareholders of the Company by a Special Resolution.

In case of granting corporate guarantees, Section 372A of the Companies Act, 1956 provides that the Board of Directors may give guarantee, without being previously authorized by a Special Resolution if,

(a) a resolution is passed in a meeting of the Board of Directors authorizing to give guarantee.

(b) there exists exceptional circumstances which prevent the Company from obtaining previous authorization by a Special resolution passed in a general meeting for giving corporate guarantee; and

(c) the resolution passed at the meeting of the Board of Directors authorizing to give corporate guarantee is confirmed within twelve months, in a general meeting of the Company held immediately after passing of the Board's resolution.

Shri D. G. Siraj and Shri Chetan D. Mehra also being Directors of Karma Energy Ltd. may be deemed to be concerned or interested in the resolution as set out under item no.9 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution by Postal Ballot.

Item No.10:

Your Company had during 1995 issued a Corporate Guarantee to ICICI Bank Ltd. (earlier Bank of Madura Ltd.) for Rs.4.5 Crores on behalf of Mitra Fidelity Ltd. for their fund requirements. Mitra Fidelity Ltd. is a company promoted by your Company. During the previous year your Company had consented to renew the same Corporate Guarantee in favour of ICICI Bank Ltd.

Section 372A of the Companies Act, 1956 permits the Company to invest in the Capital of other bodies corporate or make loans or provide guarantees or securities exceeding 60% of its paid-up capital and free reserves or 100% of its free reserves whichever is more to other bodies corporate only with the authority of the shareholders of the Company by a Special Resolution.

The Board of Directors of your Company recommend passing of the resolution by Postal Ballot.

By Order of the Board

Suresh Krishnan
Vice President
& Company Secretary

Place : Mumbai

Dated : August 27, 2001.

14th Annual Report 2000-2001

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting their Fourteenth Annual Report together with Audited Accounts for the year ended March 31, 2001:

1. FINANCIAL RESULTS:

Particulars	For the year ended	For the period ended
	31 st March, 2001 (12 Months) (Rs. in Lacs)	31 st March, 2000 (15 Months) (Rs. in Lacs)
Total Income	5423.58	7207.66
Profit Before Depreciation & Tax	587.28	701.98
Less : Depreciation	261.78	500.95
Profit Before Tax	325.50	201.03
(Less) : Income Tax	76.60	35.00
Profit After Tax	248.90	166.03
Add/(Less) prior year adjustment	2.73	(6.24)
Available Surplus	251.63	159.79
Add : Balance Carried over from Balance Sheet	720.69	734.57
	972.32	894.36
Directors Recommendation for appropriation :		
Transfer to General Reserve	Nil	Nil
Transfer to Reserve Fund	Nil	29.96
Transfer to Capital Redemption Reserve	8.37	Nil
Proposed Dividend :		
On Preference Shares @ 13 % (1999-2000 : 13%)	68.63	69.35
On Equity shares @ 5% (1999-2000 : 5 %)	64.31	64.31
Dividend Tax	13.56	10.05
Surplus carried to Balance Sheet	817.45	720.69
	972.32	894.36

2. DIVIDEND:

A. On Preference Shares

Your Directors recommend a Dividend @ 13% (previous year - 13%) on preference shares as per the terms of the issue of the said Preference Shares.

B. On Equity Shares

Your Directors recommend for consideration by the shareholders dividend of 5% (previous year 5%) on the Equity Shares to be declared and paid for the year ended March 31, 2001.

3. PERFORMANCE:

The Textile Manufacturing and Export Division of the Company achieved an Export Turnover of Rs.3321.14 Lacs earning a gross profit contribution of Rs.627.68 Lacs.

The Textile Division with a continuous interaction with its clientele and feedback thereto has fine tuned its Printing Process in all technical aspects and after adding balancing plant and machinery is now able to offer wide range of value added products. The trial runs and samples thereto have been extremely well received by the company's clients.

The Company presently is also evaluating setting up of a manufacturing facility near to its client-base in Africa to achieve flexibility and quick deliveries to meet the requirements of its clients.

The Wind Farm Projects set up by your Company are performing well and the Company has been able to generate Energy and supply to various clientele including quality corporates like Dr. Reddy's Laboratories Ltd., Novapion Industries Ltd., Cheminor Drugs Ltd., etc.

4. FUTURE PROSPECTS:

The Company continues to focus on its identified core area activities of Textile Processing and Exports and development of Wind Farm Projects for generation of power.

On the textile front, the Company, after more than 10 years of consistent track record of quality product supplies now enjoys a very high reputation as Manufacturer Exporter of Quality Products in Africa and with its in-house developed Technical Processes and variety of range of value added products expects to achieve substantial turnover increase in its Textile Division.

In the Energy sector, by development of Renewable Resources, the Company continues its thrust in identifying the sites for development of Wind Farm Projects and has also taken up in-house study and development of Hydel Projects as a measure of de-risking dependence on Wind Energy in the portfolio of Renewable Resources.

In view of the two core area of activities of your Company being declared thrust areas by the Government, the company expects to continue to achieve various benefits in the Government Policies in these sectors.

5. DEPOSITORY SERVICES:

Your Company also entered into an agreement with Central Depository Services (India) Ltd. (CDSL) to dematerialise its securities. Dealings in the Company's securities on the depository system at CDSL commenced from 07.02.2000. Members now have an option to hold the shares in the Company in demat form through CDSL in addition to National Securities Depository Services Ltd. (NSDL). The Securities and Exchange Board of India has notified your Company's shares for compulsory trading in electronic form for all investors effective from June 26, 2000.

6. CORPORATE GOVERNANCE:

As per the amended Listing Agreement with the Stock Exchange, the Company is required to comply with the requirements of Corporate Governance from the financial year commencing from April, 2001. The Directors are however pleased to inform you that your Company have recognised the need and have been attaching significant importance to good Corporate Governance since long. In pursuance of this philosophy the Board of Directors have constituted an Audit Committee on February 22, 2001. The Composition of the Audit Committee is as follows :-

Mr.N. N. Pai	-	Chairman
Dr.P. D. Ojha	-	Member
Mr.J. M. Gandhi	-	Member
Mr. D. G. Siraj	-	Member

7. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the foreign exchange earnings were Rs.2799.66 lakhs and the foreign exchange outgo was Rs.33.62 lakhs. The details have been given in Notes 3 and 4 in Schedule "R" of the Accounts.

8. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

Particulars required under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption is given in Annexure 'A' to this report. The Company has installed and commissioned an effluent treatment plant in the Textile Process Unit at Ahmedabad.

9. SUBSIDIARY:

Weizmann Forex Limited is a 100% subsidiary of the Company and its Annual Report and Accounts are attached with the Company's Annual Report.

10. DIRECTORS:

Mr.S.A.Naik resigned as Director with effect from October 31, 2000. Your Directors place on record their sincere appreciation of the valuable contribution made by Mr.Naik during his tenure on the board.

Mr.H.V.Siraj has been appointed as Additional Director of the Company with effect from May 23, 2001 and he holds office upto the conclusion of the ensuing Annual General Meeting. A notice has been received from a member proposing Mr.H.V.Siraj as candidate for the office of Director.

In accordance with the Companies Act, 1956 and Articles of Association of the Company Shri Achal Bakeri and Shri N. V. Siraj, Directors of the Company retire by rotation and, being eligible, offer themselves for re-appointment.

**11. DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors confirm :-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts on a going concern basis.

12. AUDITORS:

The Auditors M/s. U. B. Sura & Co., retire at the ensuing Annual General Meeting and being eligible, they have given their consent for re-appointment.

13. AUDITORS' REPORT:

The observations of the Auditors in their report, read with notes annexed to the Accounts, are self explanatory.

14. PARTICULARS OF EMPLOYEES:

Information 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, regarding employees is given in Annexure 'B' to the Directors Report.

15. ACKNOWLEDGEMENT:

Your Directors record with gratitude the continuous support of the members of the Company, now in the fourteenth year of its operations. Your Directors are pleased to place on record their appreciation for the continuous support of Reserve Bank of India and other regulatory bodies, Banks, Financial Institutions, Government Organisations and most of all our valued clients for their continued support.

At this point, your Directors would like to place on record the appreciation of the contribution of all the employees of the Company.

For and on behalf of the Board

N.N.PAI
CHAIRMAN

Place : Mumbai
Dated : August 27, 2001

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**ANNEXURE "A" TO DIRECTORS' REPORT
DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY:**

	Year Ended 31-03-2001	15 Months Ended 31-03-2000
A. POWER AND FUEL CONSUMPTION:		
1. Electricity		
(a) Purchased		
Units	1523160	1318415
Total Amount	Rs.69.08 Lacs	Rs.55.40 Lacs
Rate / Unit	Rs.4.54	Rs.4.20
(b) Own Generation		
i) Through diesel generator	73626 Units	893178 Units
(Rate per unit Rs.4.90 – Only Diesel Cost)	Rs. 3.61 Lacs	Rs.30.14 Lacs
ii) Through steam [turbine/generator]	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other / Internal Generation	NIL	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION:

	Standards (if any)	Current Year	Previous Period
Fabrics (per mtr)	—	—	—
Electricity (KWH)	—	0.13	0.14
Diesel Oil	Nil	0.03	0.19
Coal (specify quality)	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil

ANNEXURE "B" TO THE DIRECTORS' REPORT

NAME OF THE EMPLOYEE AGE (YRS)	QUALIFICATIONS EXPERIENCE (YRS)	DESIGNATION	DATE OF JOINING	PARTICULARS OF LAST EMPLOYMENT	TOTAL AMOUNT (RS.)
Chetan D. Mehra * (35)	B.Sc. (15)	Managing Director	01-04-89	Director – Weizmann Ltd.	12,20,984

* EMPLOYED FOR THE WHOLE OF THE YEAR (01.04.2000 TO 31.03.2001)

1. Remuneration received as shown above includes Salary, Allowance, Leave salary, Company's contribution to Provident Fund, Group Gratuity contribution paid which are valued at cost to the Company.
2. Mr.Chetan Mehra is related to Mr.D.G.Siraj - Vice Chairman & Director of the Company.
3. Designation represent nature of duties of the employees.

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**AUDITORS' REPORT
TO THE MEMBERS OF
WEIZMANN LIMITED**

We have audited the attached Balance Sheet of **WEIZMANN LIMITED** as at March 31, 2001 together with the statement of Profit and Loss Account of the company for the year ended on that date annexed thereto.

We report as follows:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - i). We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit, have been received from the branches not visited by us.
 - iii) The Balance Sheet and the statement of Profit and Loss Account are in agreement with the books of accounts as submitted to us;
 - iv) In our opinion, and to the best of our information the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956
 - v) On the basis of written representations received from the Directors, taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2001 from being appointed as a Director in terms of clause (g) of sub Section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion, and to the best of our information and according to the explanations given to us the said statement of accounts read together with the notes thereon gives information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2001 and
 - b. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

FOR **U.B.SURA & CO.**,
Chartered Accountants

U.B.SURA
Proprietor

Place: Mumbai.

Dated: 27th August, 2001.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of the Auditors' Report of even date to the Shareholders of **WEIZMANN LIMITED** on the accounts for the year ended on March 31, 2001)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. The fixed assets of the Company, as informed to us, were physically verified by the management during the year under audit and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Management has, at reasonable periods, conducted physical verification in respect of raw materials, finished goods, spares and consumables. In our opinion the frequency of verification is reasonable.
4. In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on such physical verification, as compared to stock records, were not material and the same have been properly dealt with in the books of accounts.
6. In our opinion and on the basis of examination of stock, the valuation of stock is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceding period.
7. In respect of loans, secured or unsecured taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions are, in our opinion, prima facie not prejudicial to the interest of the company. In terms of

- sub-section 6 of Section 370 of the Act, provisions of Sections 370 are not applicable to a Company on or after 31st October, 1998.
8. The Company has granted loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As per the information and explanations provided to us, the terms and conditions of such loans are prima facie not prejudicial to the interest of the Company. In terms of sub-section 6 of Section 370 of the Act, provisions of Sections 370 are not applicable to a company on or after 31st October, 1998.
9. In our opinion and as per records furnished to us the parties to whom loans or advances in the nature of loans have been given by the Company, have generally repaid principal amounts as stipulated and are generally regular in payment of interest in accordance with the stipulations.
10. 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 the business with regard to purchase of stores, raw materials including components, plant & machineries, equipments and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods and materials and sale of goods, materials and services made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more have been made at the prices which are reasonable having regard to the prevailing market price for such goods, materials or services or the prices at which transaction for similar goods, materials or services have been made with other parties.
12. As explained to us, the Company has determined unserviceable or damaged stores or raw materials and finished goods. The loss arising on the items so determined have been properly dealt with in the accounts.
13. The Company has not accepted any fixed deposit during the year under review.
14. The Company has maintained reasonable records for the sale and disposal of scrap. The Company has no by-product.
15. In our opinion the Company's present internal audit system is commensurate with its size and nature of business.
16. The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain processing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
17. The Company is regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities.
18. As explained to us there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty and which were outstanding as at 31st March, 2001 for a period of more than six months from the date they become payable.
19. Based on our examination of the Books of Accounts of the Company, in accordance with the generally accepted auditing practices, we have not come across any personal expenses of employees or directors which have been charged to Profit & Loss Account nor we have been informed of such a case by the Management.
20. The Company is not a Sick Industrial Company within the meaning of Clause (o) of sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of service activities of the Company there is no consumption of stocks and materials. As per the explanations and information given to us, owing to the nature of business specific allocation of man-hours to service activities is not practicable.
22. The Company has a reasonable system of authorization at proper levels with necessary controls on the service activities. In our opinion there is a reasonable system of internal control, commensurate with the size of the Company and nature of its service activities.
23. In respect of Company's trading activity, we are informed that there are no damaged stocks.
24. In our opinion the Company has maintained proper records of the transaction and control in respect of trading in shares, securities, debentures and other investments.

FOR **U.B.SURA & CO.**,
Chartered Accountants

U.B.SURA
Proprietor

Place: Mumbai.

Dated: 27th August, 2001.