

18TH ANNUAL REPORT 2004 - 2005



WEIZMANN
LIMITED

BOARD OF DIRECTORS

Dr. P. D. Ojha
Chairman

Shri D. G. Siraj
Vice Chairman

Shri J.M. Gandhi
 Shri N.V. Siraj
 Shri H.V. Siraj

Shri Chetan D. Mehra
Managing Director

Shri Amit D. Buch
Company Secretary

BANKERS

State Bank of Mysore
 Union Bank of India
 Punjab & Sind Bank
 The Federal Bank Ltd.
 UCO Bank
 State Bank of Travancore
 The South Indian Bank Ltd.
 The Malad Sahakari Bank Ltd.

AUDITORS

M/s U.B. Sura & Co.
 Chartered Accountants
 M/s. Shyam C. Agrawal & 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

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18th ANNUAL GENERAL MEETING

Friday the 23rd December 2005
 at 12.00 noon at Jade Garden Auditorium,
 3rd Floor, Nehru Centre, Dr. Annie Besant Road,
 Worli, Mumbai - 400 018.

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
 E-2/3 Ansa Industrial Estate,
 Saki Vihar Road,
 Saki Naka, Andheri (E),
 Mumbai - 400 071.
 Tel. No. 28470652 Fax No. 28475207

As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.



DIRECTORS' REPORT

TO THE MEMBERS OF WEIZMANN LIMITED

The Directors are pleased to present this Eighteenth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2005.

1. FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	2004-2005	2003-2004
Total Income	5132.31	6603.47
Profit Before Depreciation & Tax	898.08	764.43
Less : Depreciation	479.34	477.31
Profit Before Tax	418.74	287.12
Less : Income Tax	35.02	15.11
Less : Deferred Tax	68.88	(20.98)
Profit After Tax	314.84	292.98
Add/(Less) : Prior period adjustments	20.18	1.11
Available surplus	294.66	294.10
Add : Balance Carried over from Balance Sheet	164.41	8.85
	<u>459.07</u>	<u>302.95</u>

Director's Recommendation for Appropriation :

Transfer to Capital Redemption Reserve	210.00	
Proposed Dividend on Preference shares @ 13 % (2003-2004: 13 %)	8.87	58.50
Proposed Dividend on Equity Shares @ 5 % (2003-2004: 5 %)	64.31	64.31
Dividend Tax	10.26	15.73
Surplus Carried to Balance Sheet	165.63	164.41
	<u>459.07</u>	<u>302.95</u>

2. DIVIDEND

Your Directors have recommended a dividend @ 5 % (Rs.0.50 per share) on equity shares and @ 13 % on preference shares. The dividend, together with the tax on distributed profit, will absorb a sum of Rs. 83.44 Lacs and will be paid to those shareholders whose names stand registered in the books of the Company as on the book closure date.

3. PERFORMANCE

During the year the Total Income of the Company was Rs.5132.31 Lacs as compared to Rs.6503.47 Lacs in the previous year. The Profit before depreciation and Tax was Rs.898.09 Lacs as compared to Rs.764.43 Lacs achieved in the previous year. The Profit before Tax registered was Rs. 418.75 Lacs (Previous year : Rs.287.12 Lacs).

The shortfall in the total income for the year under review was mainly on account of reduction in textile exports due to aggressive competition from neighbouring countries, some of which offer extended credit facilities and the turmoil resulting from non-quota regime.

The Company has been recognized as 'One Star Export House' as per the classification under the new EXIM policy. On the Renewable energy front the company continued its efforts in harnessing the natural resources. The importance of power need no over emphasis as it is very critical to the overall infrastructure development and growth of the country.

4. SUBSIDIARY COMPANIES

The Statement pursuant to Section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries, viz. Weizmann Forex Ltd., Weizmann International Ltd., Batot Hydro Power Ltd, Baledh Energy Projects Ltd, Almi Hydro Electric Projects Ltd, Joiner Hydro Electric Projects Ltd. and Chikmaglur Energy Projects Ltd. is attached.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 prescribed by The Institute of Chartered Accountants of India form part of the Annual Report and Accounts.

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956 have not been attached with the Balance Sheet of the Company. The Company will make available these documents/details upon request by any member of the company interested in obtaining the same.

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri.N.V. Siraj retires by rotation and being eligible, offers himself for re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i) that in the preparation of the annual accounts for the year ended 31st March, 2005, 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 as at 31st March, 2005 and of the profit of the Company for the year ended on that date;
- iii) that the Directors have 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 for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the annual accounts on a going concern basis.

7. PARTICULARS OF THE EMPLOYEES

The Company does not have any employee whose particulars are required to be given under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

8. DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in Annexure 'I' forming part of this report.

9. EXTENTION FOR HOLDING ANNUAL GENERAL MEETING

The Company could not hold its Annual General Meeting before 30th September 2005 due to water logging in the office from unprecedented heavy rains during monsoon experienced by Mumbai and its adverse effect on computer systems at the office, which temporarily affected the normal day-to-day functioning of the Company and consequent compilation of accounts. Your Company obtained permission from the concerned office of the Registrar of Companies for holding this Annual General Meeting in compliance with the provisions of the Companies Act, 1956.

10. AUDITORS

Messrs. U.B. Sura & Co. Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company retire as Auditors at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made would be in conformity with the limits specified in the said section.

11. AUDITORS' REPORT

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

12. CORPORATE GOVERNANCE

Your Company has complied with Corporate Governance requirement as per the Clause 49 of the Listing Agreement. A report on Corporate Governance is annexed as Annexure 'II' forming part of this report.

13. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is annexed as Annexure 'III' forming part of this report.

14. ACKNOWLEDGEMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from Government Authorities, Bankers, Lending Institutions, Suppliers, Customers and the Shareholders during the year under review. Your Directors place on record their appreciation for the committed services of the staff members of the Company.

For and on behalf of the Board

Place : Mumbai

Date : 27th October, 2005

DR.P. D. OJHA
CHAIRMAN

ANNEXURE 'I' TO DIRECTORS' REPORT
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

		Year Ended 31-03-2005	Year Ended 31-03-2004
A. POWER AND FUEL CONSUMPTION :			
1. Electricity			
(a) Purchased			
Units		1650505	1940985
Total Amount		Rs. 77.03 Lacs	Rs. 89.27 Lacs
Rate / Unit		Rs. 4.67	Rs. 4.60
b) (i) Own Generation			
Units		14192	25603
Total Amount		Rs. 1.63 Lacs	Rs. 2.48 Lacs
(ii) Through Steam (turbine/generator)		NIL	NIL
2. Coal		NIL	NIL
3. Furnace Oil		NIL	NIL
4. Other / Internal Generation			
a) Lignite (kgs.)		4677000	6161500
b) Fire Wood (kgs.)		2535400	1569999
c) Lignite kgs / Mtr.		0.36	0.43
e) Fire Wood kgs / Mtr.		0.20	0.11
B. CONSUMPTION PER UNIT OF PRODUCTION :			
	Standards (if any)	Current Year	Previous Year
Electricity (KWH)		0.13	0.14
Diesel	Nil	0.01	0.02
Coal (specify quality)	Nil	NIL	NIL
Others	Nil	NIL	NIL
		Year Ended 31-03-2005	Year Ended 31-03-2004
C. Foreign Exchange :			
Earnings (Rs. in Lacs)		2658.50	3856.88
Outgo (Rs. in Lacs)		61.42	107.93



ANNEXURE ' II ' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

WEIZMANN LIMITED believes that good corporate governance is necessary to achieve long-term corporate goals and to enhance shareholders value. The philosophy of your Company on Corporate Governance envisages attainment of high level of transparency in all its operations, make disclosures to the highest possible level without compromising in any way in compliance with laws and regulations.

Your Company continues to follow procedures and practices in conformity with the code of corporate governance as per the listing agreement.

2. Board of Directors

The Company is being managed by the Board of Directors ('the Board'). The Board consists of six Directors as on 31st March 2005. Since the Company has a Non Executive Chairman, the Board meets the stipulated requirement of at least one third of the Board comprising of Independent Directors.

The composition of the Board of Directors (as on 31/3/2005).

Name of Directors	Category of Directorship	Number of other Directorship	Number of Committee membership in all companies	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
						Yes
Dr. P. D. Ojha Chairman	N. Ex. & I	3	3	8	8	Yes
Shri D. G. Siraj Vice Chairman	N. Ex.	19	3	8	8	Yes
Shri J. M. Gandhi	N. Ex. & I	8	2	8	8	Yes
Shri N. V. Siraj	N. Ex. & I	1	1	8	5	Yes
Shri H. V. Siraj	N. Ex. & I	5	1	8	4	Yes
Shri C. D. Mehra Managing Director	Executive	18	1	8	8	Yes

* N. Ex. - Non Executive, I- Independent

The Board meetings were held on 17/4/2004, 31/5/2004, 31/08/2004, 25/10/2004, 30/11/2004, 17/12/2004, 18/01/2005 and 28/02/2005. A sitting fee of Rs.2,000/- per meeting is paid to Directors (except Managing Director) for attending board meeting. The last Annual General Meeting (AGM) was held on 17/12/2004. Except the Managing Director and Vice Chairman, the other Directors are liable to retire by rotation.

3. Audit Committee

The Audit Committee headed by Dr. P.D. Ojha is working according to the terms of reference under Section 292 A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements which, inter alia includes overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal control system, adequacy of internal audit function and discussion with internal auditors on any significant findings, financial risks and management policies. During the year ended 31st March 2005, five Audit Committee meetings were held on 31/05/2004, 31/08/2004, 25/10/2004, 30/11/2004 and 28/02/2005.

The composition of the Audit Committee and the attendance of the members in the meetings are as under:

Name of Director	Category	Profession	No. of meetings held	No. of meetings attended
Dr. P. D. Ojha, Chairman	Non-Ex. & Independent	Professional	5	5
Shri D. G. Siraj	Non-Executive	Industrialist	5	5
Shri J. M. Gandhi	Non-Ex. & Independent	Industrialist	5	5

Note: No sitting fee is paid to members for attending Audit Committee meeting.

4. Remuneration Committee

The Company has one Executive Director on the Board, whose appointment and remuneration is fixed by the Board of Directors and in terms of the resolution passed by the members.

In view of above, the Company does not have a Remuneration Committee. The Board of Directors determines the remuneration of the Executive Director.

5. Investors' Grievance Committee

The Company has constituted Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. The said committee looks into redressing investors' complaints pertaining to transfer/transmission of shares, non- receipt of dividend/ annual report of the Company etc. During the year, the Committee met three times on 31/5/2004, 31/08/2004 and 25/10/2004.

The composition of the Committee and number of meetings attended by the members during the year are as under:

Name of Director	No. of meetings	
	held	attended
Dr. P. D. Ojha, Chairman	3	3
Shri D. G. Siraj	3	3
Shri J. M. Gandhi	3	3

Number of shareholders complaints received during the year were 163. Number of complaints not solved to the satisfaction of shareholders was Nil. Number of pending complaints as on 31/03/2005 was Nil. Mr. Amit D. Buch - Company Secretary is the Compliance Officer of the Company.

6. Sub-Committee of Board of Directors

Composition:

Shri. D.G. Siraj, Chairman

Shri. N. V. Siraj

Shri. C. D. Mehra

Shri. H. V. Siraj

The sub-committee normally deals with the following matters :

- Transfer / Transmission / Transposition of shares, issue of duplicate share certificate, consolidation of shares / subdivision of shares.
- Review of Dematerialization of shares.
- Normal day to day matters & all other matters as prescribed and delegated to the sub-committee by the Board of Directors from time to time. The minutes of the sub-committee meetings are noted and ratified at every ensuing meeting of the Board of Directors of the Company.

The sub-committee meeting is normally held twice a month. 33 sub-committee meetings were held during the financial year ended 31st March 2005.

7. General Body Meetings

Details of the last three Annual General Meetings (AGMs)

Date & Year	Time	Location where AGM held in the last 3 years.
17/12/2004, 2003 -2004	12.00 noon	Jade Garden Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018
30/9/2003, 2002 -2003	12.00 noon	-do-
30/9/2002, 2001-2002	11.30 a.m.	-do-

Whether resolution was put through a Postal Ballot last year: Yes

Weizmann Ltd. conducted voting through a Postal Ballot in respect of the resolutions passed for Corporate Guarantees by the Company in favour of various Banks/ Financial Institutions on behalf of M/s Weizmann Homes Ltd., Weizmann Forex Ltd., Batot Hydro Power Ltd., Greenweiz Projects Ltd. and for investments in body corporates under Section 372A of the Companies Act, 1956.

The notice of Postal Ballot dated 25th October 2004 along with the relevant explanatory statement and Postal Ballot forms were sent to all the shareholders and the shareholders had returned the duly completed Postal Ballot forms to the Company not later than the last date.

Shri. V.P. Kamath – Independent Ex- Banker (Retired General Manager- IFCI) was the scrutiniser.

The Company received response from shareholders holding 92,45,908 equity shares (71.89%) favouring the resolution and Nil response against the resolution.

The results of the poll were declared at the last Annual General Meeting (AGM) held on 17/12/2004. All special resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the meeting.

It is proposed to confirm giving of Corporate Guarantees under Section 372 A of the Companies Act, 1956 to Banks/ Financial Institutions for Weizmann Homes Ltd, Weizmann Forex Ltd, and Greenweiz Projects Ltd and to make investment in Weizmann Homes Ltd, and Weizmann Forex Ltd, by means of a Postal Ballot, the results of which will be declared at the ensuing Annual General Meeting.

8. Disclosures

Related party transactions as required to be complied under Accounting Standard 18 (AS-18) are furnished under paragraph no 21 and the Notes to Accounts attached to the annual accounts of 31/3/2005.

There has neither been any non compliance of any legal provision of applicable laws nor any penalty, stricture imposed by the Stock Exchange or SEBI or any other authorities on any matters related to Capital Market during last three years.

9. Means of Communication

Half yearly report sent to each household : No
of Shareholders

Quarterly results usually published in : Financial Express
English (daily)
Tanun Bharat/Dainik Sagar
Marathi (daily)

Any website where displayed : www.sebidfar.nic.in
www.bseindia.com

Whether any advertisement also displayed
official news releases and presentations
made to institutions or investors / analysts : No presentation made

Whether management discussions and
analysis forms part of Annual Report : Yes

Whether shareholders information section
forms part of Annual Report : Yes

10. General Shareholder Information

a) 18th Annual General Meeting- Day, Date, Time and Venue

Day	Date	Time	Venue
Friday	23/12/2005	12.00 noon	Jade Garden Auditorium 3rd Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

b) Financial Calendar

Financial Year	: 1st April to 31st March
Adoption of Quarterly Results for the quarter ending June, 2005	: 31 st July, 2005
September, 2005	: last week of October 2005
December, 2005	: last week of January 2006
March, 2006	: last week of April, 2006
Book Closure Date	: 20/12/2005 to 23/12/2005 (Both days inclusive)
Dividend Payment	: On or after 09/01/2006

c) Listing on Stock Exchanges : Mumbai, NSE,
Delhi,
Vadodara, Cochin
and Madras

d) Stock Exchange Codes :
The Stock Exchange, Mumbai : 523011
National Stock Exchange of India : WEIZMANIND
ISIN NO. : INE080A01014

e) Market Price Data/Performance:

Month	BSE		SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2004	7.14	5.00	5979.25	5599.12
May, 2004	8.45	5.00	5772.64	4227.50
June, 2004	5.40	4.35	5012.52	4613.94
July, 2004	5.99	4.51	5200.85	4723.04
August, 2004	7.51	5.14	5269.22	5022.29
September, 2004	8.38	6.51	5638.79	5178.57
October, 2004	10.00	7.05	5803.82	5558.14
November, 2004	19.63	9.01	6248.43	5649.03
December, 2004	20.00	13.10	6617.15	6176.09
January, 2005	16.60	11.60	6696.31	6069.33
February, 2005	15.00	12.05	6721.08	6508.33
March, 2005	14.24	9.14	6954.86	6321.31

Month	NSE		NSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2004	6.80	5.20	1912.35	1771.45
May, 2004	6.95	5.00	1837.95	1292.20
June, 2004	6.40	4.60	1566.50	1411.10
July, 2004	6.95	5.05	1638.70	1472.55
August, 2004	7.95	5.15	1668.90	1573.70
September, 2004	8.45	6.65	1760.80	1619.90
October, 2004	10.10	7.25	1829.45	1737.85
November, 2004	19.60	9.50	1963.80	1776.70
December, 2004	20.45	13.00	2088.45	1944.50
January, 2005	16.70	11.90	2120.15	1894.40
February, 2005	15.90	12.00	2110.15	2066.60
March, 2005	14.25	10.05	2183.45	1971.15

f) Registrar & Transfer Agents : Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Anthen (E), Mumbai- 400 072

g) Share Transfer System:

With a view to expediate the process of share transfer, the Board of Directors has delegated the powers of share transfers to the Sub-Committee of Board of Directors. Shares lodged in physical form with the Company/ Registrar & Share Transfer Agent are transferred expeditiously. The confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories i.e. NSDL and CDSL after duly transferred.



h) Dematerialisation of Shares and Liquidity of Shares:

The Shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository system for both NSDL and CDSL. 9181620 Equity Shares representing 71.39 % of the share capital of the Company stands dematerialised as on 31st March, 2005. Security Code No. with NSDL and CDSL is - ISIN INE 080A01014. The Shares of the Company are included under B2 category at the Stock Exchange, Mumbai. The shares are also traded at National Stock Exchange of India Ltd.

i) Shareholding Pattern as on 31st March 2005 :

Sr. No	Category	No. of Shares	Percentage of Shareholding
A	Promoters Holding Indian Promoters	8500178	66.09
B	Non Promoter Holding		
1	Mutual Funds & UTI	Nil	Nil
2	Banks, Financial Institutions Insurance Companies (Central/ State Govt. Institutions/ Non Government Institutions)	200	0.00
3	FIs	Nil	Nil
C	Others		
1	Private Corporate Bodies	148765	1.16
2	Indian Public	3978334	30.93
3	NRIs/OCBs	230240	1.79
4	Any other (Demat transit)	3370	0.03
	TOTAL	12861086	100.00

j) Distribution of Shareholding as on 31st March 2005 :

Range (In Rs)	Total Holders	Total Holdings in %
1-5000	11,184	89.01
5001-10000	915	7.28
10001-20000	303	2.41
20001-30000	71	0.57
30001-40000	21	0.17
40001-50000	18	0.14
50001-100000	19	0.15
100001-999999999	34	0.27
Total	12,565	100

k) Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and Likely impact on equity

- Not Applicable

l) Plant Location

- Vatva Road,
Narol, Ahmedabad
Gujarat

m) Address For Correspondence

- Regd. Office
Empire House,
214, Dr. D.N.Road,
Ent. A.K. Nayak Marg, Fort,
Mumbai - 400 001.
Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumbai - 400 072.

Registrar & Share Transfer Agent



Auditor's Certificate on Corporate Governance

To
The Members of
Weizmann Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Weizmann Limited, for the year ended March 31, 2005, as stipulated in clause 49 of Listing Agreement of the said Company with Stock Exchanges, with relevant records and documents maintained by the Company and furnished to us.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in 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 as per the records maintained by the Company that generally there were no investor's grievances pending for more than 30 days.

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

For U.B.Sura & Co.

Chartered Accountants

U.B.Sura
(Proprietor)
Membership No : 32026

Place : Mumbai
Dated : 27-10-2005

For Shyam C. Agrawal & Co.

Chartered Accountants

Shyam C. Agrawal
(Proprietor)
Membership No : 31774

ANNEXURE 'III' TO DIRECTORS' REPORT**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT****BUSINESS REVIEW**

Your company continues to focus on its core activities of Textile processing and Exports and Generation of power from Renewable Energy sources primarily wind and small hydel projects.

The textile processing house of your company at Ahmedabad operated at 87% capacity.

During the year the company's textile products were exported to European Union, West Africa, East Africa and South Africa.

Apart from textile products, the company this year too marketed forest produce of about Rs.1.66 crores.

During 2004-05 the company registered a total income of Rs.51.32 crores as against Rs.65.03 crores in the previous year. The shortfall was primarily on account of reduction in textile exports on account of aggressive competition from neighbouring countries like Pakistan and China offering extended credit and the turmoil resulting from non-quarter regime.

The company is recognized as "One Star Export House" as per the classification under the new EXIM Policy.

On the renewable energy front, the company continues its efforts in harnessing the natural resources. The importance of power need no over-emphasis and very critical to the overall infrastructure development of the country. The gap between supply and demand continues to widen necessitating the need for installing additional capacities. Apart from the need for power it has become more vital to have power from non-polluting sources wherein the renewable energy power sources like wind, small hydel, etc. play a vital role.

With respect to implementation of the provisions of the Electricity Act, 2003 which was brought into force from 10.06.2003, the progress has not been as swift as one would have expected. However the relevant agencies are taking all the efforts with the full support of the Government to implement various provisions and number of State Electricity Regulatory Commissions have already brought about the guidelines for open access system wherein the purchase and sale of power would be more market determined rather than State controlled.

With respect to legislations the company through active involvement in various associations has mooted the need for separate Renewable Energy Act so that the alternative source of energy would receive better focus and attention for its all round development.

With respect to small hydel projects, as you are aware, these are projects with long gestation period of about four / five years and the benefits thereof would be obtained only over a long period. The small hydel projects under development in the states of Himachal Pradesh and Karnataka are at different stages. The company has focused on Himachal Pradesh for hydel projects development on account of reasonable perennial availability of water from both rainfall and snow melting.

The projects are being developed by acquiring sites allocated to Special Purpose Companies.

A detailed segment-wise financial information is provided in Note no. 23 of Schedule Q to the Accounts.

OUTLOOK, OPPORTUNITIES AND THREATS

The Indian economy continues its rapid straits which began a decade and a half ago with the setting in of liberalization and globalization and now there is no question of looking back except periodical corrections needed under each sector. However the manifold growth in various segments achieved by our neighbour China within the shortest possible time despite a closed economy for decades is definitely a challenge to the country in general and to individual enterprises in particular.

The industrial sector registered a strong growth of about 8.9% as compared to 6.9% in the previous year primarily with the help of manufacturing sector.

The company being in specialized sectors of exports to predominantly African countries and in the renewable energy sector it is insulated to a large extent from the happenings in the general economy. No doubt the impact thereof is felt in cost of

production of textiles and in finance cost.

With Government encouraging exports as well as power generation from renewable energy sector, your company has ample opportunities for a steady growth. The temporary set backs in our core business of textiles noted in the current financial year is expected to be overcome over a period of next one / two years. The company is continuously on the lookout for opportunities and is in the advance stage of negotiation with established parties in African countries for setting up Joint Venture for manufacturing and processing of textile products in their country or alternatively providing total technical support for optimum utilization of production facilities for textile products.

On the renewable energy sector, the company continue to sell power to State Electricity Boards viz. APTRANSCO in Andhra Pradesh, TNEB in Tamil Nadu and MSEB in Maharashtra. The payment realization from all these Public Sector Utilities have been very satisfactory.

RISKS AND CONCERNS

With respect to export business you are aware that the Government has not continued any provisions for tax free status for export profits under Income Tax which has been further compounded by the tax authorities both at Assessing as well as Appellate level deciding on the same issues differently causing concern to the exporters. In fact on account of adverse interpretations of tax provisions with respect to benefits available from DEPB lic. nos, etc. has resulted in huge demand on the export community. Though the Government is very much ceased of the issue, you may be aware that they have been dragging their feet for too long and have been constantly extending the deadline for pronouncing their view point on these matters for which they had appointed a high power committee almost a year back.

With respect to power generation from renewable energy sources, the cause of concern has been the inordinate delays in granting the various permissions required from the relevant Government authorities.

The Management Discussions and Analysis explaining the objectives of the company, the opportunities and threats, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual physical performance may differ materially from those explained hereinabove.

INTERNAL CONTROL SYSTEM

The company has a proper and adequate internal control system commensurate with its size and operations to ensure that all its assets are safeguarded and protected against losses.

The internal control system and its adequacy thereof is constantly reviewed by the Audit Committee.

FINANCIAL PERFORMANCE OF THE COMPANY

The textile business of the company recorded a turnover of Rs.29.58 crores as against Rs.45.64 crores in the previous year.

The income from wind power generation was about Rs.1.55 crores as against Rs.2.99 crores in the previous year.

The profits before tax achieved by the company at Rs.4.19 crores is substantially higher by 46% as against Rs.2.87 crores in the previous year and profit after tax registered is Rs.2.94 crores which is same as in the previous year primarily on account of higher provision for deferred tax liability.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The nature of business in which the company is engaged in does not call for large manpower resources.

The company is adequately staffed by experienced and qualified personnel, however the company keeps a close vigil on manpower rationalization to ensure that optimum level of availability of resources matching the requirements.

The company continues to be benefited from the cordial relationship with all its employees at all levels.



AUDITORS' REPORT

TO THE MEMBERS OF WEIZMANN LIMITED

1. We have audited the attached Balance Sheet of WEIZMANN LIMITED as at March 31, 2005 and the Profit and Loss Account and also the cash flow statement of the company 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 (Auditors' Report) Order, 2003 issued by the Central Government of India and as amended by notification dated 25th November 2004, in terms of Section 227 (4A) of the Companies Act, 1956, we set out in the Annexure a statement on the matters specified in paragraphs 4 & 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 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 appears from our examination of such books.
 - 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. Based on the written representations made by the Directors, of the company, none of the Directors are disqualified as on March 31, 2005 from being appointed as a Director under section 274 (1) (g) of the Companies Act, 1956.
 - vi. In our opinion, and to the best of our information and according to the explanations submitted to us, the said accounts and 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, 2005 and
 - b. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.
 - c. In the case of cash flow statement, of the cash flows for the year ended on that date.

For U. B. Sura & Co.,
Chartered Accountants
U. B. Sura
Proprietor
Membership No: 32026
Place : Mumbai
Dated: 27-10-2005

For Shyam C.Agrawal & Co.,
Chartered Accountants
Shyam C.Agrawal
Proprietor
Membership No: 31774

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the Shareholders of WEIZMANN LIMITED on the accounts for the year ended on March 31, 2005)

- (i) (a) In our opinion the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets, according to practice of the Company, are physically verified by the management at reasonable intervals in the phased verification programme, which is in our opinion reasonable having regard to the size of the company and nature of its business. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets so as to affect its going concern.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) The procedure of physical verification of inventories followed by the management, in our opinion are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the company is maintaining proper record of its inventory. According to the information and explanations provided to us discrepancies which were noticed on physical verification of the stocks as compared to the book records have been properly dealt with in the books of accounts.
- (iii) (a) The Company has granted unsecured loans to twelve parties, the amount involved during the year was Rs. 1742.39 Lacs and the year-end balance of such loans granted is Rs. 1318.77 Lacs, covered in the register maintained under section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (c) In our opinion the recovery of principal amounts and interest during the year have generally been regular as per the stipulations of such loans.
- (d) The company has taken loans from four parties, the amount involved during the year as Rs. 130.63 Lacs and the year-end balance of such loans taken is Rs. 6.72 Lacs, covered in the register maintained under section 301 of the Act.
- (e) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (f) In our opinion the Company is regular in repayment of principal and payment of interest on the basis of stipulations of such loans.
- (g) There is no overdue amount of such loans taken from or granted to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us

the internal control procedures commensurate with the size of the company and the nature of its business are though generally adequate with regard to purchases of inventories, fixed assets and sale of goods, need further strengthening.

- (v) In respect of transactions that need to be entered in the Register maintained in pursuant to Section 301 of the Companies Act, 1956.
- (a) To the best of our knowledge and belief and according to the information and explanation given to us, transactions that needed to be entered into the register have been so entered.
- (b) According to the information and explanations provided to us, where each of such transactions (excluding loans reported under paragraph (iii) above) in excess of the value of Rs. 5 lacs in respect of any such parties during the year have been made at prices which are generally reasonable having regard to the prevalent market prices at the relevant time where such market prices are available for ascertaining the prevalent market prices, we have relied on prices at which similar transactions have been entered into by the contracting parties.
- (vi) The company has not accepted deposits from the public as envisaged in the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The company has an in-house Internal Audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of Textile Processing activities and wind power generation pursuant to the Rules made by the Central Government for the maintenance of cost records U.S./208(1)(i) of the Companies Act, 1956. In our opinion the company has maintained the prescribed cost records in respect of the said activities, however we have not made detailed examination of the said record.
- (ix) (a) As per the records produced before us, except in the following cases the company was regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

Nature	Amount(Rs. In Lacs)	Period of delay
Income TDS	1.06	2 to 180 days

- (b) On the basis of the books and records and according to the information and explanations given to us, the following disputed amounts in respect of income tax, Sales Tax, Custom Duty, Wealth Tax, Excise Duty and cess have not been deposited with the appropriate authorities

Nature of dues	Amount	Forum where dispute is pending
Income tax A.Y. 2002-03	15.74	Appeal pending before CIT(A)

- (x) The company has neither accumulated losses at the end of the financial year nor has it incurred cash losses during the financial year covered by our Audit and in the immediately preceding financial year.
- (xi) Based on our Audit procedures and according to information and explanations given by the Management, the company has not defaulted in repayment of dues to financial institutions / banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xiv) In respect of Shares, securities, debentures and other investments dealt with or traded by the company, proper records have generally been maintained in respect of transactions and contracts and timely entries have generally been made there in. The investments have been made in the company in its own name.
- (xv) As per the information furnished to us, the company has given guarantees for loans taken by others from banks and financial institutions. In our opinion the terms and conditions whereof is not prejudicial to the interests of the company.
- (xvi) The company has taken term loan during the year and as per the information and explanation furnished to us the same was applied for the purpose for which the said loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act. Accordingly clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xix) As per the records produce before us the company has created securities in respect of privately placed debentures in accordance with the provisions of the Companies Act , 1956.
- (xx) The company has not made any public issue of capital during the year under review. Accordingly clause 4(x) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For U. B. Sura & Co.,
Chartered Accountants
U. B. Sura
Proprietor
Membership No: 32026
Place : Mumbai
Dated: 27-10-2005

For Shyam C.Agrawal & Co.,
Chartered Accountants
Shyam C.Agrawal
Proprietor
Membership No: 31774

BALANCE SHEET AS AT 31ST MARCH, 2005

	SCHEDULE	As At 31/03/2005	Rs. In Lacs As At 31/03/2004
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	1286.11	1736.11
Reserves & Surplus	B	5680.46	5527.81
LOAN FUNDS			
Secured Loans	C	6926.51	6081.22
Unsecured Loans	D	162.27	795.05
Deferred Tax Liability [Net]		1077.27	1008.40
	TOTAL	15132.62	15148.59
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	10655.56	10490.47
Less : Depreciation		3410.76	2852.81
Lease Terminal Adjustment		(29.84)	(29.84)
Net Block		7214.96	7607.82
Capital Work In Progress including Advances		96.15	304.31
Net Fixed Assets		7311.11	7912.13
INVESTMENTS			
	F	4218.37	3819.75
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	G	4005.05	3919.98
Loan & Advances	H	3534.75	4068.62
	Total - (a)	7539.80	7988.60
LESS :CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	I	3830.15	4415.40
Provisions	J	106.51	156.49
	Total - (b)	3936.66	4571.89
NET CURRENT ASSETS (a) - (b)		3603.14	3416.71
	TOTAL	15132.62	15148.59
Notes To Accounts	Q		

As per our report of even date attached

 For U. B. Sura & Co
 Chartered Accountants

 For Shyam C. Agrawal & Co
 Chartered Accountants

For and on behalf of the Board

P.D.Ojha - Chairman

D. G. Siraj - Vice Chairman

C. D. Mehra - Managing Director

Amit D Buch - Company Secretary

U.B.Sura

(Proprietor)

Membership No : 32026

Place : Mumbai

Dated : 27-10-2005

Shyam C. Agrawal

(Proprietor)

Membership No : 31774