

# 19TH ANNUAL REPORT 2005 - 2006



**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. V. P. Kamath

Shri Chetan D. Mehra  
**Managing Director**

Shri Amit D. Buch  
**Company Secretary**

**BANKERS**

State Bank of Mysore  
 Union Bank of India  
 Punjab & Sind Bank  
 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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**19<sup>th</sup> ANNUAL GENERAL MEETING**

Saturday the 30<sup>th</sup> September 2006  
 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.



19th Annual Report 2005-2006

**DIRECTORS' REPORT**

**TO THE MEMBERS OF WEIZMANN LIMITED**

The Directors are pleased to present this Nineteenth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2006.

**1. FINANCIAL RESULTS**

Particulars	(Rs. in lacs)	
	2005-2006	2004-2005
Total Income	4318.12	5132.31
Profit Before Depreciation	877.32	898.09
Less : Depreciation	471.54	479.34
Profit Before Tax	405.78	418.74
Less : Income Tax	25.18	55.20
Less : Deferred Tax	72.14	68.88
Less : Fringe Benefit Tax	6.57	-
Profit After Tax	301.89	294.67
Add : Balance brought forward from previous year	165.67	164.41
Balance Available for appropriation	<u>467.56</u>	<u>459.08</u>

**Directors' Recommendation for Appropriation :**

Transfer to Debenture Redemption Reserve	25.33	-
Transfer to Capital Redemption Reserve	-	210.00
Proposed Dividend on Preference shares @ 13 % (2004-2005) -	-	8.87
Proposed Dividend on Equity Shares @ 5 % (2004-2005: 5 %)	64.31	64.31
Dividend Tax	9.02	10.26
Surplus Carried to Balance Sheet	<u>368.90</u>	<u>165.63</u>
	<u>467.56</u>	<u>459.08</u>

**2. DIVIDEND**

Your Directors have recommended a dividend at 5% (Rs. 0.50 per share) on equity shares. The dividend, together with the tax on distributed profit, will absorb a sum of Rs.73.33 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.4318.12 Lacs as compared to Rs.5132.31 Lacs in the previous year. The Profit before depreciation was Rs.877.32 Lacs as compared to Rs.898.09 Lacs achieved in the previous year. The Profit after Tax registered was Rs.301.89 Lacs (Previous year Rs.294.67 Lacs). The shortfall in the total income for the year under review was due to shortfall in textile exports on account of aggressive competition from neighboring countries and liquidity issues with some of the major value customers of the company.

Your company continues to be recognized as 'One Star Export House' as per the classification of the Exim Policy. Your Company continues its efforts in harnessing the natural resources for generating power from renewable energy sources. The importance of power in the overall infrastructural development of the country is very critical and needs no exaggeration.

**4. SUBSIDIARY COMPANIES**

During the year the company acquired two companies as its subsidiary companies by increasing its equity stake. Consequent to these two companies becoming subsidiary companies, their subsidiary companies also became your company's subsidiaries. There are twelve subsidiary companies as on 31-3-2006.

The Statement pursuant to Section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries, viz. Almi Hydro Electric Projects Ltd, Baledh Energy Projects Ltd, Batol Hydro Power Ltd, Chikmagalur Energy Projects

Ltd, Joiner Hydro Electric Projects Ltd, Karma Energy Ltd, Kambam Valley Energy projects Ltd, Kombai Mettu Energy Projects Ltd, Weizmann Forex Ltd., Weizmann International Ltd., Weizmann Homes Ltd, Widereach Infrin Services 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. J. M. Gandhi and Shri H. V. Siraj retire by rotation and, being eligible have offered themselves for re-appointment.

During the year Shri V. P. Kamath has been appointed as Additional Director with effect from 26<sup>th</sup> December, 2005 as per the provisions of Section 260 of the Companies Act, 1956. Shri V. P. Kamath holds office up to the date of the forthcoming Annual General Meeting. The Company has received notice under Section 257 of the companies Act, 1956 proposing his appointment as a Director of the Company along with a requisite deposit.

**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 31<sup>st</sup> March, 2006, 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 31<sup>st</sup> March, 2006 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. 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.

# WEIZMANN LIMITED

## 10. AUDITORS' REPORT

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

## 11. 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.

## 12. MANAGEMENT DISCUSSION 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.

## 13. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Mumbai

Date : 24th August, 2006

**DR. P. D. OJHA**  
CHAIRMAN

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

		Year Ended 31-03-2006	Year Ended 31-03-2005
<b>A. POWER AND FUEL CONSUMPTION :</b>			
1. Electricity			
(a)	Purchased Units	1537860	1650505
	Total Amount (Rs. in Lacs)	69.18	89.27
	Rate / Unit	4.50	4.67
b)	(i) Own Generation Units	15418	14192
	Total Amount (Rs. in Lacs)	1.81	1.63
	Deisel rate / Unit (Rs.)	11.73	11.48
	(ii) Through Steam (turbine/generator)	NIL	NIL
2. Coal		NIL	NIL
3. Furnace Oil		NIL	NIL
4. Other / Internal Generation			
a) Lignite (kgs.)		4512500	4677000
b) Fire Wood (kgs.)		1781080	2535400
c) Lignite kgs / Mtr.		0.45	0.36
e) Fire Wood kgs / Mtr.		0.18	0.20
<b>B. CONSUMPTION PER UNIT OF PRODUCTION :</b>			
	Standards (if any)		
Electricity (KWH)	Nil	0.16	0.13
Diesel Oil	Nil	0.02	0.01
Coal (specify quality)	Nil	NIL	NIL
Others	Nil	NIL	NIL
<b>C. Foreign Exchange : Earnings (Rs. in Lacs)</b>			
		1721.40	2658.50
	Outgo (Rs. in Lacs)	21.19	61.42



ANNEXURE ' II ' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

WEIZMANN LIMITED is committed to good corporate governance as it believes that good corporate governance is essential for achieving long term corporate goals. The Company respects and values the rights of its stakeholders to secure information about the company and its performance. The Corporate Governance in the company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the senior management, employees etc. The Compliance Report is prepared and given below in conformity with the mandatory requirements of the listing agreement with the stock exchanges.

2. Board of Directors

The Company is being managed by the Board of Directors ('the Board'). The Board consists of seven Directors as on 31<sup>st</sup> March 2006. 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 31/3/2006).

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
Dr. P. D. Ojha Chairman	N. Ex. & I	3	3	6	6	Yes
Shri D. G. Siraj Vice Chairman	N. Ex.	15	5	6	6	Yes
Shri J. M. Gandhi	N. Ex.	8	1	6	6	Yes
Shri N. V. Siraj	N. Ex.	7	1	6	6	Yes
Shri H. V. Siraj	N. Ex.	6	1	6	6	Yes
#Shri V. P. Kamath	N. Ex. & I	14	5	6	1	No
Shri C. D. Mehra Managing Director	Executive	21	2	6	6	Yes

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

# Joined the Board with effect from 26<sup>th</sup> December 2005.

The Board meetings were held on 31/5/2005, 31/8/2005, 27/10/2005, 30/11/2005, 23/12/2005 and 27/2/2006. 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 23/12/2005. 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 and investment made by unlisted subsidiary companies, 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 31<sup>st</sup> March 2006, five Audit Committee meetings were held on 31/05/2005, 31/08/2005, 27/10/2005, 30/11/2005 and 27/02/2006.

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-Executive	Industrialist	5	4
# # Shri V. P. Kamath	Non-Ex. & Independent	Industrialist	5	1

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

# The Audit Committee was reconstituted. Shri J. M. Gandhi was member of the Audit Committee till 26<sup>th</sup> December, 2005.

## Shri V. P. Kamath joined as member of Audit committee with effect from 26<sup>th</sup> December, 2005.

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.

No significant / material transactions have been made with the non-executive Directors vis-à-vis the Company.

The decision relating to the remuneration paid to the Managing Director is taken by the Board of Directors of the Company in accordance with the Shareholders approval, wherever necessary.

Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Directors	No. of shares held as on 31 <sup>st</sup> March, 2006
1.	Dr. P. D. Ojha	Nil
2.	Shri D. G. Siraj	15,26,576
3.	Shri N. V. Siraj	2,39,854
4.	Shri H. V. Siraj	2,77,240
5.	Shri J. M. Gandhi	Nil
6.	Shri V. P. Kamath	Nil

5. Investors' Grievance Committee

The Company has constituted Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreements. The said committee looks into redressing investors' complaints pertaining to transfer/transmission of shares, non- receipt of dividend/ annual report of the Company. During the year, the Committee met three times on 31/5/2005, 27/10/2005 and 27/2/2006.

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	No. of meetings 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 was 80. Number of complaints not solved to the satisfaction of shareholders was Nil. Number of pending complaints as on 31/03/2006 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. 28 sub-committee meetings were held during the financial year ended 31<sup>st</sup> March 2006.

**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.
23/12/2005, 2004-2005	12.00 noon	Jade Garden Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018
17/12/2004, 2003-2004	12.00 noon	-do-
30/9/2003, 2002-2003	12.00 noon	-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 Guarantee by the Company in favour of various Banks/ Financial Institutions on behalf of M/s Weizmann Homes Ltd., Weizmann Forex Ltd., Greenweiz Projects Ltd. and for investments in body corporates under Section 372A of the Companies Act, 1956.

The notice of Postal Ballot dated 27<sup>th</sup> October 2005 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 92,15,373 equity shares (71.65%) 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 23/12/2005. All special resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the 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 31/3/2006.

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. Code of Conduct**

The code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, we confirm that the Board Members and senior management of the Company have confirmed compliance with the code.

For Weizmann Ltd.  
Managing Director

**10. Means of Communication**

Half yearly report sent to each household of Shareholders	: No
Quarterly results usually published in	: Free Press Journal English (daily) Navi Shakti Marathi (daily)
Any website where displayed	: <a href="http://www.sebidiffar.nic.in">www.sebidiffar.nic.in</a> <a href="http://www.bseindia.com">www.bseindia.com</a>
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

**11. General Shareholder Information**

**a) 19<sup>th</sup> Annual General Meeting- Day, Date, Time and Venue**

Day	Date	Time	Venue
Saturday	30/09/2006	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, 2006	: 31 <sup>st</sup> July, 2006
September, 2006	: last week of October 2006
December, 2006	: last week of January 2007
March, 2007	: last week of April, 2007
Book Closure Date	: 26/09/2006 to 30/09/2006 (Both days inclusive)
Dividend Payment	: On or after 10/10/2006

**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, 2005	13.95	10.53	6606.41	6134.86
May, 2005	20.26	11.25	6715.11	6195.15
June, 2005	18.90	14.50	7193.85	6655.56
July, 2005	17.40	15.05	7635.42	7145.13
August, 2005	26.95	16.30	7859.53	7595.57
September, 2005	40.60	27.10	8650.17	7876.15
October, 2005	38.40	24.05	8799.96	7685.64
November, 2005	28.85	23.20	8994.94	7944.10
December, 2005	26.25	21.20	9387.93	8815.53
January, 2006	26.30	21.45	9919.89	9237.53
February, 2006	28.05	20.05	10370.24	9742.58
March, 2006	27.00	22.10	11,307.04	10,508.85

Month	NSE		NSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2005	14.40	11.00	3012.85	2868.62
May, 2005	20.20	11.95	3057.05	2847.16
June, 2005	18.90	14.80	3143.18	3054.13
July, 2005	17.85	14.85	3454.85	3105.45
August, 2005	27.15	16.20	3663.05	3428.70
September, 2005	40.80	27.30	3904.95	3620.60
October, 2005	38.00	28.40	3912.90	3407.95
November, 2005	28.20	23.10	3860.75	3517.75
December, 2005	26.45	21.45	4030.45	3872.50
January, 2006	25.95	21.50	4342.85	4066.70
February, 2006	29.80	20.55	4458.90	4268.80
March 2006	27.50	22.75	4787.15	4495.20



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

g) **Share Transfer System :**

With a view to expedite 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.

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. 10111786 Equity Shares representing 78.62 % of the share capital of the Company stands dematerialised as on 31<sup>st</sup> March, 2006. Security Code No. with NSDL and CDSL is - ISIN INE 080A01014. The Shares of the Company are included under E2 category at the Stock Exchange, Mumbai. The shares are also traded at National Stock Exchange of India Ltd.

i) **Shareholding Pattern as on 31<sup>st</sup> March 2006 :**

Sr. No	Category	No. of Shares	Percentage of Shareholding
<b>A</b>	<b>Promoters Holding</b>		
	Indian Promoters	8452328	65.72
<b>B</b>	<b>Non Promoter Holding</b>		
(a)	Mutual Funds & UTI	Nil	Nil
(b)	Banks, Financial Institutions Insurance Companies (Central/ State Govt. Institutions/ Non Government Institutions)	200	0.01
	Fills	Nil	Nil
(c)	Fills	Nil	Nil
<b>C</b>	<b>Others</b>		
(a)	Private Corporate Bodies	579767	4.51
(b)	Indian Public	3615563	28.11
(c)	NRIs/OCBs	207178	1.61
(d)	Any other (Demat transit)	6050	0.05
	<b>TOTAL</b>	<b>12861086</b>	<b>100.00</b>

j) **Distribution of Shareholding as on 31<sup>st</sup> March 2006 :**

Range (In Rs)	Total Holders	Total Holdings in Rs.
1 – 5000	9,719	1,31,84,160
5001-10000	758	50,40,710
10001 – 20000	207	29,10,920
20001 – 30000	53	13,35,640
30001 - 40000	22	7,95,480
40001 – 50000	15	7,00,910
50001 – 100000	27	19,51,450
100001 – 999999999	42	10,26,91,590
<b>Total</b>	<b>10,843</b>	<b>12,86,10,860</b>

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.  
**Registrar & Share Transfer Agent** - Bigshare Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri ( East),  
Mumbai - 400 072.

**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, 2006, 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.

For Shyam C. Agrawal & Co.

Chartered Accountants

Chartered Accountants

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

Shyam C. Agrawal  
(Proprietor)  
Membership No : 31774

Place : Mumbai  
Dated : 24th August 2006

**ANNEXURE 'III' TO DIRECTORS' REPORT**

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

**BUSINESS REVIEW**

Your company continues and would continue to focus on its principle 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 70 % capacity as against 87 % in the previous year.

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

During 2005-06 the company registered a total income of Rs.43.18 crores as against Rs. 51.32 crores in the previous year. One of the main reasons of reduction of total income in the year under review was on account of shortfall in textile exports on account of aggressive competition from neighboring countries and liquidity issues with couple of our major value customers.

The company continues to be recognized as "One Star Export House" as per the classification under the EXIM Policy.

On the renewable energy front, the company continues its efforts in harnessing the natural resources. The importance of power in the overall infrastructural development of the country is very critical and needs no exaggeration.

The gap between supply and demand continues to widen necessitating the need for installing additional capacities.

The power sector in India is progressing on the policy and regulation front guided by the provisions of Electricity Act, 2003. The Regulatory mechanism in the Country is also in the process of maturing with the help of formulation of new rules and regulations replacing antiquated rules, by central and different state regulators in line with the spirit of the Electricity Act, 2003. The Company believes that the Indian Power Sector with its growing demand supply gap is under crisis and is in acute need of transformation. In order to save the environment from pollution, it has become important to generate power from non-polluting sources. For the purpose of generating power from non-polluting sources, the renewable energy power sources like wind, small hydel, etc. play a vital role.

The small hydel projects as informed in the past have a long gestation period and the benefits obtained from these projects would be obtained over a long period. One of the hydel projects in the State of Himachal Pradesh is in advanced stage and is expected to be put on stream in two to three years time.

The projects are being developed through Special Purpose Companies, most of which are subsidiaries.

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 is charging ahead and continues its rapid growth with almost all the sectors registering a healthy growth. Further with the setting in of the liberalization and globalization which began a decade and a half ago there is no looking back except for periodical corrections and review required under each sector. The Energy Sector specifically the power sector holds promise. The increased thrust on the infrastructure sector, including power will continue to provide excellent investment opportunities in the future. The manifold growth achieved by China in various sectors within the short span of time is certainly a challenge to India and other Asian countries in general and to individual corporates in particular.

The Indian GDP grew at 8.4 % in 2005-2006 surpassing the high of 7.5 % achieved in 2004-2005. With GDP growth forecast of 7 – 8 % over the next few years, the Indian economy will continue to provide several attractive growth opportunities.

The Company has a pre-dominant exposure to exporting the textile products to African countries and as regards the Renewable Energy Sector, the performance of which to a large extent depends on the happenings in the general economy.

The Government of India has been giving boost to export and also encouraging power generation from renewable energy sector. As a result, your company would have good opportunities for a uniform growth.

The company is and would continue to look out for new opportunities for exports of the textile products to new countries and is experimenting through participating in process activities overseas. The Company has also carried out re-engineering process at the factory to improve on the quality of the product and as a cost reduction measure and the first shipment thereafter has been effected in the beginning of the second quarter of the current financial year.

The Company continue to sell power generated from Renewable energy source 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 has been very satisfactory.

**RISKS AND CONCERNS**

The Company faces risk of competition from its neighboring countries as regards export of textile products are concerned. Further the foreign exchange rate volatility has also had some impact on the export business of the company. However it is the endeavor of the management to be competitive at all levels and keep performing well to meet these risks. Even though the government of India and various states have provided opportunity for power generation from renewable energy the main worrying factor has been the inordinate delay in obtaining various permissions as required from various statutory 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 system of internal controls to ensure that all its assets are properly safeguarded and protected against loss from unauthorized use or disposal. Further all the internal control system is practiced by the company to ensure that all transactions are authorized, recorded and reported correctly.

The Company has an Audit Committee of Directors which reviews the adequacy of internal Controls.

**FINANCIAL PERFORMANCE OF THE COMPANY**

The textile business of the company achieved a turnover of Rs.20.68 crores as against Rs.29.58 crores in the previous year.

The income from wind power generation was about Rs. 97.62 Lacs as against Rs.1.55 crores in the previous year.

During the year the company increased their equity holding in profitable group companies. Viz. Weizmann Homes Ltd and Karma Energy Ltd to the extent of 53.65 % and 100 % respectively. Weizmann Homes Ltd is an housing finance company registered with National Housing Bank and is in existence for over a decade. Karma Energy Ltd is into Wind farm development and had set up 100 Crore Windfarm project at Vankusawade, District Satarat, Maharashtra in 2002-2003. Both the Companies being highly profitable and on account of they being subsidiary companies, benefits thereof would accrue to the parent company. During the current financial year M/s. Karma Energy Ltd brought back their equity shares and the parent Company Weizmann Ltd was benefitted to the tune of Rs.3.17 crores which represents part return on the investments made by Weizmann Ltd.

The profits before tax achieved by the company at Rs. 4.06 crores is marginally lower as against Rs.4.19 crores in the previous year and profit after tax registered is Rs.3.02 crores which is marginally higher as compared to Rs. 2.94 crores in the previous year.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

The business in which the company is into does not call for large manpower resources.

The company has a team of able and experienced professionals. The work culture and value system in the company is designed to provide each employee the adequate space, freedom and guidance to bring out their full potential and provide personal growth opportunities within the organization.





**AUDITORS' REPORT**

**TO THE MEMBERS OF WEIZMANN LIMITED**

1. We have audited the attached Balance Sheet of **WEIZMANN LIMITED** as at March 31, 2006 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 25<sup>th</sup> 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, 2006 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, 2006 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: 24th August 2006

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, 2006)

- (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 of 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 eighteen companies, the amount involved during the year was Rs.2,757.79lacs and the year-end balance of such loans granted is Rs.2,255.97lacs 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) In our opinion the Companies to whom loans are given are regular in repayment of principal and payment of interest on the basis of stipulations of such loans.
- (e) The company has taken loans from three companies, the amount involved during the year as Rs.212.22lacs and the year-end balance of such loans taken from a company is Rs.44.08lacs, covered in the register maintained under section 301 of the Act.
- (f) 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.
- (g) In our opinion the Company is regular in repayment of principal and payment of interest on the basis of stipulations of such loans.
- (h) There is no overdue amount of such loans taken from or granted to or from Companies, firms or

- (iv) other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) 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.
- (vi) In respect of transactions that need to be entered in the Register maintained in pursuance 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) (b)-(v)) in excess of the value of Rs. 5,00,000 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.
  - (vii) 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.
  - (viii) The company has an in-house internal Audit system commensurate with the size and nature of its business.
  - (ix) 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 under Section 209 (1) (d) 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.
  - (x) (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 Tax Deducted at Source	2.59	1 to 365 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 (Rs. In Lacs)	Forum where dispute is pending
Income Tax A.Y. 2003-04	23.58	Appeal pending before CIT (A)
Interest Tax A.Y. 1999-2000	84.18	Appeal pending before CIT (A)
Central Excise Duty	157.64	Appeal before Appellate Tribunal

- (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 unit fund or a multi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditors' 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 by 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 thereof are 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 produced 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 (xx) 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: 24th August 2006

For Shyam C. Agrawal & Co  
Chartered Accountants

Shyam C. Agrawal  
(Proprietor)  
Membership No: 31774

## BALANCE SHEET AS AT 31ST MARCH, 2006

		As At 31/03/2006	Rs. In Lacs As At 31/03/2006
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	1286.11	1286.11
Reserves & Surplus	B	5830.43	5680.46
<b>LOAN FUNDS</b>			
Secured Loans	C	6656.16	6926.51
Unsecured Loans	D	165.01	162.27
Deferred Tax Liability [Net]		1149.40	1077.27
	<b>TOTAL</b>	<b>15087.11</b>	<b>15132.62</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	10446.21	10655.56
Less : Depreciation		3854.92	3410.76
Lease Terminal Adjustment		(29.84)	(29.84)
<b>Net Block</b>		<b>6561.45</b>	<b>7214.96</b>
Capital Work In Progress including Advances		5.80	96.15
<b>Net Fixed Assets</b>		<b>6567.25</b>	<b>7311.11</b>
<b>INVESTMENTS</b>			
	F	5764.18	4218.37
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Current Assets	G	1833.99	4005.05
Loan & Advances	H	4200.40	3501.42
	<b>Total - (a)</b>	<b>6034.39</b>	<b>7506.47</b>
<b>LESS :CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	I	3214.41	3830.15
Provisions	J	64.31	73.18
	<b>Total - (b)</b>	<b>3278.71</b>	<b>3903.33</b>
<b>NET CURRENT ASSETS</b>	<b>(a) - (b)</b>	<b>2755.68</b>	<b>3603.14</b>
	<b>TOTAL</b>	<b>15087.11</b>	<b>15132.62</b>
<b>Notes To Accounts</b>	<b>Q</b>		

As per our report of even date attached

 For U. B. Sura & Co  
 Chartered Accountants

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

Place : Mumbai

Dated : 24th August 2006

 For Shyam C. Agrawal & Co  
 Chartered Accountants

 Shyam C. Agrawal  
 (Proprietor)  
 Membership No : 31774

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