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# **WELTERMAN INTERNATIONAL LIMITED.**

**FOURTEENTH ANNUAL REPORT**

**2005 - 2006**



**Plot No. 1135, Lamdapura Road,  
Near Manjusar, At & Post : Lamdapura – 391 775  
Tal. Savli, Dist. Vadodara**



## **BOARD OF DIRECTORS**

<b>KAYUM R. DHANANI</b>	<b>MANAGING DIRECTOR</b>
<b>BIJI PAUL</b>	<b>DIRECTOR</b>
<b>SHAMIM SHEIKH</b>	<b>DIRECTOR</b>
<b>ABBAS M. SHEIKH</b>	<b>DIRECTOR</b>

## **AUDITORS**

### **D. P. Shah & Associates**

Chartered Accountants, Vadodara.

## **BANKERS**

Union Bank of India

## **REGISTERED OFFICE AND FACTORY**

Plot No. 1135, Lamdapura Road,  
Near Manjusar, At & Post : Lamdapura – 391 775  
Tal. Savli, Dist. Vadodara

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## **NOTICE**

Notice is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the members of the Company will be held on Saturday the 30<sup>TH</sup> September 2006 at 12.00 noon at Registered Office of the Company at Plot No.1135, At & Post Lamdapura, Near Manjusar, Taluka-Savali, Dist-Vadodara(Gujarat) to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31.03.2006 and the Profit and Loss Accounts for the year ended on that date together with the Report of Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Abbas M. Sheikh who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. D.P.Shah & Associates as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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**By Order of the Board of Directors**

For Welterman International Ltd.

**(Kayum R. Dhanani)**  
**Chairman**

**Vadodara, 1st September, 2006**



## **NOTES :**

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the day 25th of the September 2006 to 30th day of September 2006 (both day inclusive)
3. Members desirous of obtaining any information/details as regard accounts/ operations of the Company are requested to write to the Company at least 7 days before the meeting, to enable the Company to keep the required information ready at the time of the meeting.



**By Order of the Board of Directors**

For Welterman International Ltd.

**(Kayum R. Dhanani)**

**Chairman**

**Vadodara, 1st September, 2006**



## DIRECTORS' REPORT

To,  
The Members of  
Welterman International Limited.

Your Directors have pleasure in presenting the **FOURTEENTH ANNUAL REPORT** together with the audited annual accounts of the company for the year ended on 31<sup>st</sup> March, 2006.

### FINANCIAL RESULTS

(Rs. In Lacs)

	YEAR ENDED 31.03.2006	YEAR ENDED 31.03.2005
Sales and other Income ,	312.50	295.79
Expenses	303.57	311.45
Profit / (Loss) before Depreciation	8.93	(15.66)
Deprecation	27.01	30.08
Loss for the year	18.08	45.74
Add: Loss brought forward from previous year	1311.44	1265.70
Total Loss	1329.52	1311.44

### PERFORMANCE

During the year under review Your Company's Sales and Other income stood at Rs. 312.50 Lacs as against Rs. 295.79 Lacs of the previous year. The Materials sales has been Rs. 144.60 Lacs during the year as against Rs. 153.48 Lacs in the previous year. However job work charges have been Rs. 165.41 Lacs as against Rs. 140.56 Lacs in the previous year. Due to increase in the job Work and the Sales of Materials also being on better terms Your Company could avoid cash loss successfully. It is planned to further improve upon and consolidate the operations in such a way that Company earns handsome profit and a march to eliminate the accumulated loss begins after a long time. Further Your Company has focused its efforts in achieving higher capacity utilization for its manufacturing activity and also concentrating on the job work activity. In addition to above, the Company has initiated many cost reduction and quality improvement measures like reduction in the consumption of imported materials, control over fixed overheads, improved usage of raw materials etc., which will also improve the performance of the Company in future.

### PRESENT STATUS UNDER BIFR

The Company is a "Sick Industry" registered under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Company has recently very favourably settled its dues with the Banker and for such settlement with the financial Institutions, the negotiations are in progress.

### DIVIDEND

**In view of the losses, Your Directors convey their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March 2006.**

**DIRECTORS**

Mr. Abbas M. Sheikh director of the Company is retiring by rotation and being eligible offer himself for reappointment. The Board recommends their reappointment.

**AUDITORS**

M/s. D. P. Shah & Associates, Chartered Accountants, Vadodara, the Auditors of the Company, hold office until the conclusion of the ensuring Annual General Meeting. The Company has received letter from the Auditors to the effect that their appointment, if made, for the Financial Year 2006-07 would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**AUDITORS REPORT**

The Annual Accounts of the Company and notes to the accounts are self-explanatory. Your Company follows system of paying Gratuity and Encashment of Privileged leaves to employees as and when they retire. As per the applicable Accounting Standard 15, the accumulated liability should have been provided in the books of account. Your Company will review its policy shortly for accounting these liabilities. The Fixed Assets register is being updated and the Company has been in process to appoint an Internal Auditor.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Board confirms that:

- a) The financial statements are in full conformity with the requirements of the Companies Act, 1956 and applicable accounting standards have been followed along with proper explanation relating to material departure.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimated that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss of the Company for the period under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

**DEPOSITS FROM PUBLIC**

The Company has not invited public for acceptance of deposits during the year and therefore there are no unpaid or un-claimed deposits from the public.

**LISTING OF ORDINARY SHARES WITH STOCK EXCHANGES**

As the Shareholders are aware the Company ordinary shares were listed with Stock Exchanges at Vadodara, Mumbai, Ahmedabad and Madras. There were no trading of Company's shares and said shares dislisted with all these four Stock Exchanges. As decided on passing of special resolution at 13<sup>th</sup> AGM your Company have filed voluntary delisting of security (ordinary shares) applications under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 with . Madras Stock Exchange Ltd. At chennai; and The Stock Exchange Ahmedabad, at Ahmedabad".

**REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance is enclosed containing details as required by the listing agreement and form part of the report of the Board of Directors.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.**

The company is not required to disclose the details of conservation of energy. The Company did not absorb any new technology nor carried out R & D activity during the year.

The details of foreign exchange earnings and outgo during the year under review are as under:

Amount in Rupees		
	2005 - 2006	2004-2005
<b>(i) Earnings</b>	<b>16,56,603</b>	59,33,063
<b>(ii) Outgo</b>	<b>6,02,745</b>	6,90,028

**PARTICULARS OF EMPLOYEES**

The provisions of Section 217(2-A) of the Companies Act, 1956, read with the provisions of the Companies (Particulars of Employees) Rules, 1975 are not attracted in case of any employee of the Company as no employee has been in receipt of remuneration exceeding Rs.2/- Lacs per month or Rs.24/- Lacs a year.

**RELATIONS WITH EMPLOYEES**

The relations with the employees continued to be cordial during the year. Your Directors wish to place on record their sincere appreciation for the excellent team spirit with which they have worked for the progress of the Company.



## **ACKNOWLEDGEMENTS**

- , Your Directors place on record their sincere gratitude to bank, financial institutions, the employees and all the associates of the Company for their hard work and continual support to the Company.

**For and on behalf of the Board for  
WELTERMAN INTERNATIONAL LTD.**

Vadodara, 1st September, 2006

**(KAYUM R. DHANANI)**  
Chairman

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## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes in fair, efficient and transparent business operations and providing better services to the society by producing quality products and having improved employer-employee relations, fairness to all share holders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

### 2. BOARD OF DIRECTORS

#### COMPOSITION AND CATEGORY OF DIRECTORS

Name of Director	Executive/ Non- executive / Independent	No.of other Directorships held	No.of other Board Committee position held
Shri Kayum R. Dhanani	Executive/ Non Executive	3	-
Shri Bijl Paul	Independent / Non Executive	3	-
Smt.Shamim Sheikh	Independent / Non Executive	-	-
Shri Abbas Sheikh	Independent / Non Executive	-	-

#### Attendance of each Director at the Board Meetings and at last Annual General Meeting

Five Board Meetings were held during The financial Year 2005-06 on the following dates.

30<sup>th</sup> May 2005, 16<sup>th</sup> August 2005, 15<sup>th</sup> October 2005, 20<sup>th</sup> December 2005 and 13<sup>th</sup> January 2006

Name of Director	No. of Board Meetings attended	Whether Present at the last AGM
Shri Kayum R. Dhanani	4	YES
Shri Bijl Paul	4	YES
Smt.Shamim Sheikh	4	YES
Shri Abbas Sheikh	4	YES



### 3. REMUNERATION OF DIRECTORS

(Amt.in Rupees)

Name of Director	Sitting Fees	Salaries & perquisites	Commission	Total
Shri Kayum R. Dhanani	-	-	-	-
Shri Biji Pauli	-	-	-	-
Smt. Shamim Sheikh	-	-	-	-
Shri Abbas Sheikh	-	-	-	-

### 4. AUDIT COMMITTEE

The terms of reference of the Audit Committee apart from those specified in the Listing Agreement with the Stock Exchanges broadly, pertain to review of business practices, review of investment policies, review of compliances and review of systems and controls.

The Audit Committee consists of three Non-executive Directors viz. Shri Biji Paul, Smt. Shamim Sheikh and Shri Abbas Shiekh. In addition to the Audit Committee members, the Managing Director, Head of accounts and the Statutory Auditors attended the meetings.

The Audit Committee met four times during the F. Y. 2005-06. None of the Members of the Audit Committee was absent at any meeting.

### 5. REMUNERATION COMMITTEE

The terms of reference of the Remuneration Committee in brief pertain to determining the Company's policy on and approve specific remuneration packages for executive directors after taking into account financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, interest of the Company and shareholders etc.

At present there is no such committee as there is no executive –paid director other than managing director, however the said committee will be constituted as and when required.

### 6. SHAREHOLDERS'/INVESTORS' GRIVANCE COMMITTEE

The Share holders'/Investors' Grievance Committee is headed by Shri Biji Paul, a non executive director. The Members of the Committee are Shri K.R.Dhanani and Smt. Shamim Sheikh. All complaints received from Share holders during the Fianancial Year 2005-06 were attended to by the committee.

Number of pending Share Transfers as on 31<sup>st</sup> March 2006 : Nil

### 7. GENERAL BODY MEETINGS

i Locations and time, where last three Annual General Meetings held