



WELTERMAN INTERNATIONAL LTD.

**ELEVENTH ANNUAL REPORT
2002-2003**

Plot No. 1135, At & Post - Lamdapura,
Lamdapura Road, Tal. Savli, Dist. Vadodara

**BOARD OF DIRECTORS****KAYUM R. DHANANI***Managing Director***RAVINDER SINGH***Nominee Director (IFCI)***KANTILAL R. PATIL***Director***Resigned w.e.f. 31st March 2003***BIJI PAUL***Director***AUDITORS****Ajit Dalal & Co.***Chartered Accountants, Vadodara.***BANKERS****UNION BANK OF INDIA****REGISTERED OFFICE & FACTORY**

Plot No. 1135, At & Post - Lamdapura, Lamdapura Road,
Tal. Savli, Dist. Vadodara

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NOTICE

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Members of **WELTERMAN INTERNATIONAL LIMITED** will be held on Tuesday, the 30th September, 2003 at 12.00 a.m. at the Regd. Office of the Company at Plot No. 1135, At & Post - Lamdapura Lamdapura Road, Tal. Savli, Dist. Vadodara, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2003, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Biji Paul, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. D.P. Shah & Associates as Statutory Auditor's in place of the existing Auditors of the Company to hold the office from the conclusion of this Annual General Meeting untill the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

For WELTERMAN INTERNATIONAL LTD

KAYUM R. DHANANI

Managing Director

Vadodara, 31st July, 2003



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY, NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE MEETING.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act 1956, in respect of Item No. 4 of the notice set out above is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 25th day of September, 2003 to Tuesday, the 30th September, 2003 (Both day inclusive).
4. Members desirous of obtaining any information/details as regard accounts and operations of the Company are requested to write to the Company atleast 7 days before the meeting, to enable the Company to keep the required information ready at time of the meeting.

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By Order of the Board

For WELTERMAN INTERNATIONAL LTD

KAYUM R. DHANANI

Managing Director

Vadodara, 31st July, 2003



DIRECTORS' REPORT

To
The Members of
Welterman International Limited

Dear Shareholders

The Directors are placed to present their ELEVENTH REPORT on the performance of the Company for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in Lacs)

	YEAR ENDED 31.03.2003	YEAR ENDED 31.03.2002
Sales and other Income	336.10	333..02
Less : Expenses	428.50	477.87
Profit / (Loss) before Depreciation	(53.08)	(100.65)
Less : Depreciation	39.32	44.21
Profit/(Loss) for the year	(92.40)	(144.86)
Add : Balance brought forward from previous year	1111.46	966.61
Balance Carried to Balance Sheet	1203.86	1111.46

PERFORMANCE

During the year under review the Company could achieve a turnover of Rs. 336.10 lacs as against the turnover of Rs. 333.02 lacs, of previous year, the increase in the turnover by Rs. 3.08 lacs is due to increase in processing charges. However, the loss of Company has been restricted to Rs. 92.40 lacs as against the loss of Rs. 144.86 lacs of previous year. Your Company has focused its effort in achieving higher capacity utilization by undertaking manufacturing as well as job work activity. The revenue received from manufacturing and jobwork activity is Rs. 332.81 lacs, while it was Rs. 330.46 lacs during the previous year, Income from the job work of Rs. 132.74 lacs, which was Rs. 130.15 in the year 2001-2002.

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 improve the future performance of the Company in future.

REFERENCE TO BIFR

As you are aware the Company is a "Sick Industry" registered under the Provision of the Sick Industrial Companies (Special Provisions) Act, 1985, and the case of the Company is pending for further directions from the BIFR.

DIVIDEND

In view of the losses, the Board conveys its inability to recommend any dividend for the financial year ended 31st March, 2003.

DIRECTORS

During the Year Mr. Kantilal R. Patni, one of the Director, conveyed his inability to continue to act as the Director of the Company. The Company accepted his resignation w.e.f. 31st. March, 2003.

Mr. Biji Paul, director of the company is retiring by rotation and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

AUDITORS

M/s. Ajit Dalal & Co., Chartered Accountants, Vadodara, the Present Statutory Auditors of the Company conveyed their inability to continue to act as the Auditors of the company.

Keeping in view this, M/s. D.P. Shah & Associates are proposed to be appointed at the ensuing Annual General Meeting as the statutory Auditor of the Company.

AUDITORS REPORT

The report of the Auditors of the Company and notes to the accounts are self-explanatory and have been explained in the Notes to the Accounts, wherever necessary and do not require further explanation from the Board.

DIRECTORS'S 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 judgements 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 there is no unpaid or un-claimed deposits from the public.

REPORT ON CORPORATE GOVERNANCE

Though not mandatory as on date, 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 during the year and no R & D activity was carried out.

The details of foreign exchange earnings and outgo are as under:

	<u>Amount in Rupees</u>	
	<u>2002-2003</u>	<u>2001-2002</u>
(i) Earnings	21,67,221	28,29,551
(ii) Outgo	4,56,203	11,95,797

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.

RELATIONS WITH EMPLOYEES

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

ACKNOWLEDGEMENT

The Directors place on record their sincere gratitude to the employees of the Company for their hard work and continued support to the Company.

By Order of the Board

For WELTERMAN INTERNATIONAL LTD

KAYUM R. DHANANI

Managing Director

Vadodara, 31st July, 2003



AUDITORS REPORT

To,
The Members of
WELTERMAN INTERNATIONAL LIMITED

We have examined the attached Balance Sheet of WELTERMAN INTERNATIONAL LIMITED as on 31st March 2003 and also the Profit & Loss Account of the Company for the year ended on that date both annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement on our audit.

We conduct 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. We report that ;

1. 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.
2. In our opinion, proper books of accounts have been kept by the Company as required by law so far as it appears from our examination of those books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of Accounts.
4. In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the Directors and taken on record by the board of directors. We report that none of the directors are disqualified as on 31st March 2003, from being appointed as director in the terms of clauses (g) of sub-section (1) of section 274 of the Companies Act, 1956.

6. In our opinion and to the best of our information and according to the explanations given to us the said accounts read with notes on accounts and subjects to third party balance confirmations, give the information required by the Companies Act, 1956 in the manners so required and the Balance Sheet gives a true and fair view of the state of Company's affairs as at 31st March 2003 and the Profit & Loss Account gives a true and fair view of the Loss for the year ended on that date except.
- (i) Policy No. A of Schedule 15, accounting of Insurance claim on admitted basis.
 - (ii) Policy No. H of Schedule 15 No provision has been made for accumulated leave medical re-imbursement, leave travel concession, Gratuity and workmen Demand as they are accumulated on cash basis.
 - (iii) Note No. 7 of Schedule 15 regarding no provision has been made for Debtors amounting to Rs. 1509248.36 which in our opinion are doubtful of recovery, consequently the loss for the year and debit balance in Profit and loss Account are lower by the same amount.
 - (iv) Note No. 9 of Schedule 15 of Non Accounting of interest of Rs. 140.82 lacs to financial institution and bank.

As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that;

- 1. None of the fixed Assets have been revalued during the year.
- 2. The stock of finished goods, stores, spares parts, and Raw Materials have been physically verified by the Management at reasonable intervals during the year.
- 3. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 4. As informed to us, the discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of account.
- 5. In our opinion and on the basis of our examination, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the basis as in the preceding financial year.



6. The Company has taken unsecured loans from the parties listed in the register maintained under section 301 of the Companies Act 1956 and the terms and conditions are not prima facie prejudicial to the interest of the Company. In terms of sub-section (6) of the Section 370 of the Companies Act, 1956, provisions of Section 370 are no longer applicable to a company.
7. The Company has not granted loans to the parties listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub-section (6) of the section 370 of the Companies Act, 1956. provisions of Section 370 are no longer applicable to a Company.
8. As informed to us, the parties to whom the loans or advances in the nature of loans have been given by the Company are generally repaying the principal amount as stipulated and are also generally regular in payment of the interest where applicable.
9. In our opinion, transaction of sale and purchase of goods and services made in pursuance of contract or agreements entered in th Register maintained u/s. 301 of the Companies Act. 1956 and aggregating during the year to more than Rs. 50,000/- in respect of each such party have been made at prices which are reasonable having regard to prevalling market prices for such goods and services or at the prices at which transaction for similar goods and services have been made with other parties.
10. As explained to us, the unserviceable or damaged stores, raw materials or finished goods are determined and provision for the loss, wherever necessary, has been made in the accounts.
11. As informed to us the Company has not accepted deposits from the public under section 58A of the Companies Act, 1956.
12. In our opinion and as per the information and explanations given to us, the company has maintained reasobale records for sale and disposal of realizable scrap. As informed to us, the Company has no by-products.
13. The Company has no internal audit system.
14. As informed to us, the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 in respect of any of the Company's product.