



WELTERMAN

INTERNATIONAL LTD.

THIRTEENTH ANNUAL REPORT

2004 - 2005

CERTIFIED TRUE COPY
WELTERMAN INTERNATIONAL LTD.

Authorised Signatory

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



BOARD OF DIRECTORS

KAYUM R. DHANANI	MANAGING DIRECTOR
BIJI PAUL	DIRECTOR
SHAMIM SHEIKH	DIRECTOR
ABBAS M. SHEIKH	DIRECTOR

AUDITORS

D. P. Shah & Associate
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 **THIRTEENTH ANNUAL GENERAL MEETING** of the members of the Company will be held on Friday, the 30th September, 2005 at 12.00 noon at the Registered Office of the Company at Plot No.14/35, At & Post Lamdapura, Near Manjusar, Taluka-Savli, Dist-Vadodara(Gujarat) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31.03.2005 and the Profit and Loss Accounts for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a director in place of Mrs. Shamim Sheikh director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. D. P. Shah & Associates, Chartered Accountants as Auditors of 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.

SPECIAL BUSINESS :

4. To consider, and if thought fit, to pass, with or without modification/s, the following resolution as a special resolution

"RESOLVED that, subject to the provisions of the Companies Act, 1956, [including any statutory modification(s) or re-enactment there of for the time being in force and as may be enacted hereinafter], the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Ordinary Shares from following Stock Exchanges viz. Madras Stock Exchange Ltd. At Chennai; and The Stock Exchange Ahmedabad, at Ahmedabad."

By Order of the Board of Directors

For Welterman International Ltd.

(Kayum R. Dhanani)
Chairman

Vadodara, 16th August, 2005

**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 26th day of the September 2005 to 30th day of September 2005. (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.
4. M/s. Intime Spectrum Registry Ltd. the Share Transfer Agent of the Company have shifted their office w.e.f. 1/4/2005 at following address; 201, Sidcup Towers, Race course, VADODARA – 390 007 Ph.0265-2332474,2312489

ANNEXURE TO THE NOTICE**(calling the 13th Annual General Meeting)****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

Item No.4 of the Notice :

As the Shareholders are aware the Company is a sick unit and revival proceedings are under process as referred to BIFR. At the time of public issue your Company's ordinary shares were listed with Stock Exchanges at Vadodara, Mumbai, Ahmedabad and Madras. There were not trading of Company's shares and said shares are dislisted with all these four Stock Exchanges. Now Board of Directors of your Company have decided to comply with all the requirements to relist the same with the Stock Exchanges (VSE) at Vadodara and Bombay Stock Exchange (BSE) at Mumbai and to file 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 to save the heavy costs and expenses towards listing fees etc.

As per the provisions of the Companies Act, 1956 this decision requires the approval of the shareholders in General Meeting to delist the security with Stock Exchange(s). Hence this Special Resolution has been put for your approval.

The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of the shares that may be held by them.

By Order of the Board of Directors**For Welterman International Ltd.**

(Kayum R. Dhanani)
Chairman

Vadodara, 16th August, 2005



DIRECTORS' REPORT

To,
The Members of
Welterman International Limited.

Your Directors have pleasure in presenting the **THIRTEENTH ANNUAL REPORT** together with the audited annual accounts of the company for the year ended on 31st March, 2005.

FINANCIAL RESULTS

(Rs. In Lacs)

	YEAR ENDED 31.03.2005	YEAR ENDED 31.03.2004
Sales and other Income	295.79	299.48
Expenses	311.45	329.78
Loss before Depreciation	15.66	30.30
Depreciation	30.08	32.55
Loss for the year	45.74	62.85
Taxes in respect of Previous Years	—	(1.02)
Net Loss	45.74	61.83
Add: Balance brought forward from previous year	1265.70	1,203.87
Balance Carried to Balance Sheet	1311.44	1,265.70

PERFORMANCE

During the year under review Your Company's Sales and Other income stood at Rs. 295.79 Lacs as against Rs. 299.48 Lacs of the previous year. The revenue from manufacturing sales has been Rs. 153.48 Lacs during the year as against Rs. 152.30 Lacs in the previous year, whereas income from the Job Work has been Rs. 140.56 Lacs as against Rs. 144.22 Lacs in the year 2003-2004. The decrease in total revenue of Rs. 3.69 Lacs has been mainly due to decrease in the revenue from the Job Work charges. However, the loss for the year has been restricted to Rs.45.74 Lacs as against the Loss of Rs. 61.83 Lacs in the previous year mainly because of sales remaining below excise threshold limit and benefiting the company of Excise thereby. 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

As you are aware the Company is a "Sick Industry" registered under the provisions 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, Your Directors convey their inability to recommend any dividend for the financial year ended 31st March, 2005.

**DIRECTORS**

Mrs. Shamim 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 F.Y.2005-06 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. Interest on Term loans and Working Capital finance is not charged in the accounts since several years as Your Company has been declared Sick by the Honorable BIFR and Your Directors are confident about the waiver of interest by the Honorable BIFR. 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's ordinary share were listed with Stock Exchanges at Vadodara, Mumbai, Ahmedabad and Madras. There were no trading of Company's shares since long and hence the shares have been dislisted with all these four Stock Exchanges. Now Board of Directors of your Company have decided to comply with all requirements to relist the same with Stock exchanges (VSE) at Vadodara and Bombay Stock Exchange (BSE) at Mumbai if approved by Shareholders in the ensuing AGM of the Company, the Company will file 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	
	2004 – 2005	2003-2004
(i) Earnings	59,33,063	34,60,460
(ii) Outgo	6,90,028	6,90,788

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, 16th August, 2005

**(Kayum R. Dhanani)
Chairman**





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 stake 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	4	-
Shri Biji Paul	Independent	3	-
Smt.Shamim Sheikh	Independent	-	-
Shri Abbas Sheikh	Independent	-	-

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

The Board held Four Board Meetings during the financial year 2004-2005, as detailed below.

8th June, 2004, 28th August, 2004 17th December, 2004 10th January, 2005

The attendance at the Board Meetings and AGM were as under :

Name of Director	No. of Board Meetings attended	Whether Present at the last AGM
Shri Kayum R. Dhanani	4	YES
Shri Biji 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	-	2,64,000	-	2,64,000
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 consist 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 attend the meetings.

The Audit Committee met four times during 2004-05. 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' GRIEVANCE 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 year 2004-05 were attended to by the committee.

There was no pending Share Transfers as on 31st March 2005.

7. GENERAL BODY MEETINGS

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