



WELTERMAN INTERNATIONAL LIMITED

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FIFTEENTH
ANNUAL
REPORT

2006 - 2007

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 A. SHEIKH	DIRECTOR

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 **15TH ANNUAL GENERAL MEETING** of the members of the Company will be held on 29th September 2007, Saturday 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 31.03.2007 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. Biji Paul 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.

SPECIAL BUSINESS :

4. To consider and thought fit, to pass, with or without modification the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 311 and other applicable provisions of schedule XIII to the Companies Act, 1956 the company hereby approves the reappointment of Mr. Kayum Dhanani as Managing Director of the company for a period of five years with effect from 1st June 2007 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialed by the chairman for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or the agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Mr. Kayum Dhanani.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution.

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

(Kayum R. Dhanani)
Chairman

Vadodara 14th August, 2007



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 25th day of the September 2007 to 29th day of September 2007. (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. Explanatory Statement as required under section 173 (2) of the Company Act, 1956 for item no. 4 :

Shri Kayum Dhanani's Present 5 Years terms of office as Managing Director of the Company expires on 1st June 2007, Mr. Kayum Dhanani has been in the office as such Managing Director since Long time and the Company has made considerable progress and has acquired good name and reputation in business. The Directors confidently feel that the Company should continue to avail of the services of Shri Kayum Dhanani as a very able and experience person. Hence the Board of Directors at their meeting held on 15/4/2007 has considered it necessary to reappoint him as Managing Director of the Company for further period of 5 years w.e.f. 1st June 2007 subject to the approval of members of the Company. therefore your Directors recommend to approve his reappointment. Remuneration and perquisites payable to Mr. Kayum Dhanani Managing Director :

1. Salary Rs. 25000 per month
2. Perquisite as set out in draft agreement proposed to be entered into by the Company with him

The said draft of the Agreement is available for inspection by the members on any working day during working hours at Registered Office of the Company.

None of the Directors except Mr. Kayum Dhanani is interested in the resolution.

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

Vadodara 14th August, 2007

**(Kayum R. Dhanani)
Chairman**



DIRECTORS' REPORT

To,
The Members of
Welterman International Limited.

Your Directors have pleasure in presenting the **15TH ANNUAL REPORT** together with the audited annual accounts of the company for the year ended on 31st March, 2007.

FINANCIAL RESULTS

(Rs. In Lacs)

	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
Sales and other Income	279.45	312.50
Expenses	273.20	303.57
Profit before Depreciation	6.25	8.93
Depreciation	24.33	27.01
Loss for the year	(18.09)	(18.08)
Prior Period Adjustments	223.72	-
Net Profit / (Loss)	205.63	(18.08)
Add: Balance brought forward from previous year	(1329.52)	(1311.44)
Balance Carried to Balance Sheet	(1123.89)	(1329.52)

PERFORMANCE

During the year under review, Your Company's Sales and Other income stood at Rs. 279.45 Lacs as against Rs. 312.50 Lacs for the previous year. The Materials sales has been Rs. 159.04 Lacs during the year as against Rs. 144.61 Lacs in the previous year, However, the loss before prior period adjustments for the year has been restricted to Rs. 18.09 Lacs as against the Loss of Rs. 18.08 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. During the year under report, the Company settled its dues for Working Capital Loan and accumulated interest thereon payable to Union Bank of India on One Time Settlement basis. The terms of the Settlement have been conveyed to the Board of



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Industrial and Financial Reconstruction of India and as a result the amount of interest which was provided in the earlier years has been reversed in the Books of Accounts. After payment of the agreed amount to the Bank, the balance remaining in the Working Capital Loan Account along with the reversal of interest for the earlier years have been shown under Prior period and Extra Ordinary Items in the Profit and Loss Account.

DIVIDEND

In view of the losses, Your Directors convey their inability to recommend any dividend for the financial year ended 31st March 2007.

DIRECTORS

Mr. Biji Paul 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. 2007-08 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.

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		
	2006 - 2007	2005-2006
(i) Earnings	15,09,032	16,56,603
(ii) Outgo	5,38,465	6,02,745

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. 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.

(Kayum R. Dhanani)
Managing Director

Vadodara, 14th August, 2007



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 stakeholders 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 Pauli	Independent / Non Executive,	3	-
Smt. Shamim Sheikh	Independent	-	-
Shri Abbas Sheikh	Non Executive, Independent	-	-

Attendance of each Director at the Board Meetings and at last AGM

Five Board Meetings were held during Financial Year 2006-07 as under;

14th June 2006, 14th August 2006, 1st September 2006, 15th October 2006 and 10th January 2007

Name of Director	No. of Board Meetings attended during 2006-07	Whether Present at the last AGM
Shri Kayum R. Dhanani	5	Yes
Shri Biji Paul	5	No
Smt. Shamim Sheikh	5	No
Shri Abbas Sheikh	5	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 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 three times during Financial Year 2006-07. None of the Members of the Audit Committee were 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 Shareholders'/Investors' Grievance Committee 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 Shareholders during the Financial Year 2006-07 and all of them attended to.

Number of pending Share Transfers as on 31st March 2007 : Nil

7. GENERAL BODY MEETINGS

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



	Location	Date & Time
Twelfth	Regd. Office of the Company at Plot No.1135, At & Post Lamdapura, Near Manjusar, taluka Savali, Dist. Vadodara	30/9/2004 12.00 Noon
Thirteenth	-do-	30/9/2005 12.00 Noon
Fourteenth	-do-	30/9/2006 12.00 Noon

No resolutions are proposed to be passed to be put through postal ballot at this Annual General Meetings.

8. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT

During year 2006-07 there is no change among directors.

Mr. Biji Paul director of the Company is retiring by rotation and is eligible for reappointment.

9. DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interest of the Company.

There has been no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

10. GENERAL SHAREHOLDERS INFORMATIONS

- i) 15th Annual General Meeting
- Date ; 29th September 2007
Time ; 12.00 Noon
Venue : Regd. Office of the Company
At at Plot No.1135, At & Post
Lamdapura, Near Manjusar,
Taluka - Savali, Dist-Vadodara

ii) Financial Calendar

Unaudited results for the quarter ending on 30 th June, 2007	July, 2007
Unaudited results for the quarter/half ending on 30 th September, 2007	October, 2007
Unaudited results for the quarter/nine months ending on 31 st Dec. 2007	January, 2008
Audited results for the year ending 31 st March, 2008	May, 2008