

WELTERMAN INTERNATIONAL LIMITED

CERTIFIED TRUE COPY
For WELTERMAN INTERNATIONAL

Shamir Chinnor
Compliance Officer

EIGHTEENTH ANNUAL REPORT

2009-2010

Plot No. 1135, Lamdapura Road,
Near Manjusar, At & Post - Lamdapura-391775
Tal. Savli, Dist. Vadodara.

BOARD OF DIRECTORS

KAYUM R. DHANANI **MANAGING DIRECTOR**
BIJI PAUL **DIRECTOR**
SHAMIM SHEIKH **DIRECTOR**

AUDITORS

PARIKH SHAH CHOTALIA & 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 Eighteenth Annual General Meeting of **WELTERMAN INTERNATIONAL LIMITED** will be held on Thursday 9th September, 2010 at 12.00 noon at the Registered Office at Plot no. 1135, Lamdapura Road, Nr. Manjusar, At & Post, Lamdapura, Tal. Savli, Dist Vadodara to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended even date along with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Shamim Sheikh, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors and fix their remuneration.

**FOR AND ON BEHALF OF THE BOARD
For WELTERMAN INTERNATIONAL LTD.**

**(KAYUM R. DHANANI)
CHAIRMAN & MANAGING DIRECTOR**

Place : Vadodara

Date : 14TH AUGUST 2010



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 8th to 9th September, 2010 (both days inclusive)

FOR AND ON BEHALF OF THE BOARD
For WELTERMAN INTERNATIONAL LTD.

(KAYUM R. DHANANI)
CHAIRMAN & MANAGING DIRECTOR

Place : Vadodara
Date 14TH AUGUST 2010



DIRECTORS' REPORT

Dear Members,

Your Directors present their **EIGHTEENTH ANNUAL REPORT** together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2010

(1) FINANCIAL & WORKING RESULTS

Particulars	2009-2010 Rs.	2008-2009 Rs.
Total Income	25,25,852	27,939,006
Gross Profit/(Loss) Before Depreciation :	(1,03,84,401)	(5,023,386)
(Less) : Depreciation	(17,67,941)	(1,995,121)
Net (Loss) for the year	(1,21,52,342)	(7,018,507)
PRIOR PERIOD & EXTRAORDINARY ITEMS	5,628	
Provisions for FBT		(34,000)
PROFIT/(LOSSES) AFTER TAXES	(1,21,46,714)	(7,052,507)
Add/(Less) Balance brought forward:	(13,99,85,343)	(132,932,837)
BALANCE CARRIED TO BALANCE SHEET	(15,21,32,057)	(139,985,343)

(2) DIVIDENDS :

In view of carried forward losses, your Directors do not recommend dividend.

(3) DEPOSITS :

The Company has not accepted / renewed deposits within the meaning of the Companies (Acceptance of Deposits) Rules, 1975.

(4) PRESENT STATUS UNDER BIFR :

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

(5) CLOSURE OF PLANT :

In view of persistent unviability of the production unit, the plant of the Company was closed in May, 2009 as reported earlier. Thereafter, the Company has not carried out any operation.

(6) PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration of Rs 24,00,000 per annum or Rs. 2,00,000 per month or more for any part of the year and hence no particulars have been furnished as required under Section 217(2A) of the Companies Act, 1956.

(7) PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company does not have information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 to offer and hence no particulars have been furnished.

(8) DIRECTORS' RESPONSIBILITY STATEMENT:

- (i) Your Directors have followed the applicable accounting standards along with proper explanation relating to material departures if any, while preparing the annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for the period ;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

(9) DIRECTORATE :

Mrs. Shamim Sheikh, Director of the Company retires at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Mr. Abbas A. Sheikh resigned from the Directorship of the Company during the year in view of pre occupation. Your Directors have taken on record their appreciation for valuable services rendered by him during his tenure.

(10) SECRETARIAL COMPLIANCE CERTIFICATE :

Secretarial Compliance Certificate as required under Rule 3(1) of The Companies (Compliance Certificate) Rules 2001 read with Section 383A(1) of the Companies Act, 1956 received from M/s. D. Pathak & Associates, Practising Company Secretaries has been attached to this report.



(11) AUDITORS:

M/s Parikh Shah Chotalia & Associates, Chartered Accountants, Vadodara, retire at the conclusion of this Annual General Meeting.

A written certificate is being obtained from the Auditors, M/s. Parikh Shah Chotalia & Associates, Chartered Accountants to the effect that in case of their reappointment as Auditors the same would be within the limits laid down in Section 224(1B) of the Companies Act, 1956. You are requested to appoint Auditors and fix their remuneration.

(12) ACKNOWLEDGEMENTS:

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

FOR AND ON BEHALF OF THE BOARD

KAYUM R. DHANANI

CHAIRMAN & MANAGING DIRECTOR

Place: Vadodara

Date: 14TH AUGUST 2010



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Welterman International Limited is committed to attain the highest standard of Corporate Governance. It recognizes that the Board is accountable to all the Stockholders for good governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make appropriate disclosure and enhance share holders value without compromising in anyway and in compliance with laws and regulations.

2. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors consists of Three Directors

Name of Directors	Category
Shri Kayum R. Dhanani	Promoter Executive Director
Shri Biji Paul	Independent Non Executive Director
Smt. Shamim Sheikh	Promoter and Non Executive Director

Meetings and Attendance

The Board of Directors meets at least once in quarter to approve the financial results in compliance with Listing Agreement and more often, if considered necessary, to transact any other business.

No Director is a member of more than ten committees or Chairman of more than five committees in other Companies in which they are Directors.

During the year under review, six Board meetings were held on 17.04.2009, 29.04.2009, 30.07.2009, 30.10.2009, 20.01.2010, and 03.02.2010.

Attendance of directors at the meetings of the Board of Directors held during the year and Annual General Meeting held on 29th September, 2009 is as follows.



Name of Director	No. of Board meetings attended during 2009-2010.	Whether Present at the last AGM
Shri Kayum R. Dhanani	4	Yes
Shri Biji Paul	4	Yes
Smt. Shamim Sheikh	4	Yes

AUDIT COMMITTEE

The terms of reference of the Audit committee apart from those specified in the Listing Agreement of the Stock Exchange broadly pertain to review of business practices, review of investment policies, review of compliance and review of systems and controls. The Audit committee consists of two Non-executive Directors viz. Shri Biji Paul & Smt. Shamim Sheikh and Shri Kayum R. Dhanani, MD. In addition to the Audit committee members, the Managing Director, Head of accounts and the Statutory Auditors attend the meetings.

During the year under review, Audit committee meetings were held four times on 30.06.2009, 30.07.2009, 30.10.2009 and 20.01.2010 under the Chairmanship of Shri Biji Paul, which were attended by all the Members of the Audit committee

REMUNERATION COMMITTEE

At present there is no Remuneration committee. No Executive Director is paid any remuneration. However, the said committee will be constituted as and when required.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance committee is headed by Shri Biji Paul, a non executive Independent Director. In order to expeditiously approve transfer etc the Board of Directors at its meeting held on 30th July, 2009 has individually, authorized Mr. Asif Razzak Dhanani, Mr. N.M. Patel and Mr. Biji Paul, officers of the company in the best interest of the investors and dissolved share transfer committee. The said authorized persons will approve transfer /transmission/ transposition/ issue of duplicate share certificates in lieu of lost /misplaced/ worn out etc. Share certificate, issue of fresh share certificate in view of rematerialization of shares, consolidation and division and incidental matters relating to shares.

GENERAL BODY MEETINGS

Locations and time, of last three Annual General Meetings held.

Details of AGM*	Location	Date & Time
Fifteenth	Regd. Office of the Company at Plot No. 1135, At & Post Lamdapura, Near Manjusar, Taluka Savali, Dist. Vadodara	29/9/07 at 12.00 Noon
Sixteenth	-do-	30/9/08 at 12.00 Noon
Seventeenth	-do-	29/9/09 at 12.00 Noon



*No special resolutions were passed in the meeting.

NOTES ON DIRECTORS APPOINTMENT /RE-APPOINTMENT

Mr. Abbas A. Sheikh resigned from the Directorship of the Company w.e.f 20th January, 2010 due to Resignation.

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

GENERAL SHAREHOLDERS INFORMATIONS

18 th Annual General Meeting :	Date : 9 th September, 2010
	Time : 12.00 Noon
	Venue : <i>Registered office of the Company</i> at Plot No. 1135, At & Post: Lamdapura, Near Manjusar, Tal. : Savli, Dist: Vadodara.

Financial calendar

Unaudited results for the quarter ending on 30th June, 2010	July, 2010
Unaudited results for the quarter ending on 30 th September, 2010	October, 2010
Unaudited results for the quarter ending on 31 st December, 2010	January, 2011
Unaudited results for the quarter ending on 31 st March, 2011	June, 2011

Dates of book closure : 07.09.2010 to 09.09.2010

Listing on the Stock Exchanges The Bombay Stock Exchange Ltd.
Vadodara Stock Exchange Ltd.
Ahmedabad Stock Exchange Ltd.
Madras Stock Exchange Ltd.

Stock code BSE-526431



ISIN No. of the Company's Equity: INE662D01013
Shares in demat form :

Depository Connectivity : CDSL

Registrar and share transfer Agent : **LINK INTIME INDIA PRIVATE LTD.**
308, 1ST Floor, Jaldhara Complex,
Opp. Manisha Crossing,
Old Padra Road, Vadodara- 390015.
Ph : 0265-2250241 Fax: 0265-2250246
Vadodara@intimespectrum.com

Share transfer, transmission and dematerialization of shares are registered and returned well within the stipulated period.

Stock Market Data.

Since no trading of shares has taken place at any of the stock exchanges where shares of the company are listed, stock market data have not been furnished.

Distribution of Shareholding: (as on 31st March, 2010)

Range of Holding	No.of Shareholders	% to total shareholders	No. of shares	% to total shares
1-500	3666	93.4013	624500	14.0612
501 – 1000	142	3.6178	116300	2.6186
1001 – 2000	40	1.0191	63100	1.4207
2001 – 3000	08	0.2038	19700	0.4436
3001 – 4000	14	0.3567	55500	1.2496
4001 – 5000	13	0.3312	64300	1.4478
5001 – 10000	11	0.2803	91100	2.0512
10001 & above	31	0.7898	3406800	76.7073
TOTAL	3925	100.0000	4441300	100.0000



Shareholding pattern (as on 31st March, 2010)

Category	No. of shares held	% of total shares
Promoters	695700	15.66
Financial institutions	60000	1.35
Bodies Corporate	2547000	57.35
Indian Public (Resident Individual)	1107600	24.94
Non-Resident Individuals/OCBs	31000	0.70

Break up of shares in physical and Demat Segment (As on 31st March, 2010)

Segment	No. of Shares held	% to total Shares
Physical	3036000	68.36 %
Demat	1405300	31.64 %
Total	4441300	100.00 %

Address for communication:

LINK INTIME INDIA PRIVATE LTD.

308, 1st Floor, Jaldhara Complex,
Opp. Manisha Crossing,
Old Padra Road,
Vadodara- 390015.
Ph : 0265-2250241
Fax: 0265-2250246
E-mail: Vadodara@intimespectrum.com

Secretarial Department

WELTERMAN INTERNATIONAL LIMITED

Plot No. 1135,
At & Post Lamdapura,
Near Manjusar,
Taluka Savali, District. Vadodara.
Ph 02667-264022

Outstanding GDR/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Not Applicable as the company has not issued such instruments.



Project location

Plot No. 1135,
At & Post Lamdapura, Near Manjusar,
Taluka Savali, Dist. Vadodara. Gujarat.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and Developments

India is the second largest footwear manufacturer in the world next to China. However, China, contributing around 58% market share of world, has mainly concentrated in small and cottage industries without brand image. The Indian Leather industry growing at around 10% p.a. has been carving its share by focusing on innovative designs, state of the art production and reliable delivery schedules.

Opportunities, outlook and Threats

With the opening up of FDI in the retail sector, the Company in industry is facing stiffer competition from foreign and domestic retail players. Moreover large chunk of income is eaten away in the payment of interest. The Company has also repaid to some of the lenders which would reduce the interest burden of the company. Reference of the Company with the Board for Industrial & Financial Reconstruction (BIFR) as a sick company is also pending and on sanction of Rehabilitation scheme for which your Company has already been negotiating; financial position of the company may improve.

Threats and Risks

Stiff competition, increasing input costs and delay in the sanction of the scheme has worsened the financial position of the company.

However, your Directors have been putting their best efforts to tide over the situation and are optimistic for the better future on sanction of the scheme.

Financial performance with respect to operational performance

The Company has suspended its operation and total income of the company during the year Rs. 25,25,852.

However with the payment of part of the loan and likely sanction of Rehabilitation scheme, interest burden of the Company is likely to reduce. But in the meantime in view of persistent unavailability of the Business, operations of the Company are presently suspended.

Internal Control system and their efficacy

The Company has by and large adequate internal control procedures commensurate with the size of the Company and nature of business especially with regards to purchase of inventory, fixed assets and for sale of goods.



Statutory Compliances

The Company has been by and large compliant of laws including payment of all statutory dues except sales tax dues payable in view of expiry of tax holiday period.

Quality

The Company has been focusing on up gradation of quality and innovation.

Material Developments in Human Resources/ Industrial Relations

Industrial Relations remained cordial throughout the year under review.

Cautionary statement

Statement in this management analysis detailing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking" statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that may influence your Company's operations include Global and domestic supply and demand conditions affecting selling prices, input availability and prices, changes in Government policies, regulations, tax regimes, economic development within and outside the country and other allied factors. The Company assumes no responsibility to publicly amend, modify or revise the forward looking statement on the basis of subsequent developments, information or events..

CEO CERTIFICATE

This is to certify to the best of my knowledge and belief:

- a. That I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts, as well as the Cash Flow Statement and the Directors' Report;
- b. That these statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- c. These Statements together represent a True and Fair view of the Company and are in compliance with the existing accounting standards and /or applicable laws/ regulations;
- d. I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and I will disclose to the auditors and the audit committee, deficiencies in the design and operations of internal controls, if any, and will also disclose the measures taken to rectify those deficiencies;
- e. There is no instance of significant fraud that involves management or employees having a significant role in the Company's internal control system; and
- f. I have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and /or of accounting policies during the year.

For **WELTERMAN INTERNATIONAL LTD.**

Place : Vadodara
Date : 14TH AUGUST 2010

(KAYUM R. DHANANI)
MANAGING DIRECTOR



AUDITORS' CERTIFICATE

To:

The Shareholders,

We have examined the compliance of conditions of Corporate Governance by Welterman International Limited for the year ended on 31st March, 2010 as stipulated in the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the Company as per the records maintained and information given by the Company and presented to the Shareholders' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS

(D. P. SHAH)
PARTNER

VADODARA, 14TH AUGUST 2010

AUDITORS' REPORT

To,
THE MEMBERS,
WELTERMAN INTERNATIONAL LIMITED
VADODARA.

We have audited the attached **BALANCE SHEET** of **WELTERMAN INTERNATIONAL LIMITED**, as at **31st March, 2010** and also the **PROFIT AND LOSS ACCOUNT** of the Company for the year ended on that date annexed thereto both of which we have signed under reference of this report. 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.

1. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of these books and the aforementioned Balance Sheet and Profit and Loss Account are in agreement therewith.
 - ii. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except **Accounting Standard 28 Impairment of Assets**.

The effect due to non-compliance of AS 28 could not be quantified in absence of availability of carrying amount and recoverable amount of the Assets.

- iii. On the basis of our review of the confirmations made available to us from the companies in which the directors of the Company are directors and the information and explanations given to us, none of the directors of the Company is prima facie as at 31st March, 2010, disqualified from being appointed as director of the Company under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- iv. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes appearing in the Schedule of Significant Accounting Policies and Notes on Accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of Balance Sheet, of the **STATE OF AFFAIRS** of the Company as at 31st March, 2010;
- b) in the case of the Profit and Loss Account, of the **LOSS** of the Company for the year ended on that date
- and
- c) in the case of Cash Flow Statement, of the **CASH FLOWS** for the year ended on that date.

**For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(D. P. SHAH)
PARTNER**

VADODARA, 14TH AUGUST 2010



ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF WELTERMAN INTERNATIONAL LIMITED :

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :-

i. Fixed Assets

- (a) *The Company has been in the process of updating the maintenance of records showing particulars, including quantitative details and situation of fixed assets, however they are yet to be updated.*
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. *According to the information and explanations given to us, discrepancies could not be ascertained on physical verification as book records are being update*
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.

ii. Inventory

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, 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 of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account.

iii. Loans and Advances

- a) The Company has not granted any unsecured loan to any party covered under Section 301 of the Companies Act, 1956, during the year under report.
- b) The Company has taken Secured Loan from one party covered under Sec.301 of the Companies Act, 1956. The Maximum outstanding during the year for such Loan was Rs.921.86 Lacs. The year end balance of the Loan was Rs.921.86 Lacs.
- c) According to the information and explanations given to us, the Company had to its credit unsecured loans amounting to Rs.323.62 Lacs at the beginning of the year, accepted from five parties listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance from such parties was Rs. 313.92 Lacs.

- d) Interest on these loans is not paid nor has been provided because of the stipulations in the Loan Agreements of the financial institutions, other terms on which they have been accepted are not prejudicial to the interests of the company .

iv. Internal Control

In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness in internal control has come to our notice.

v. Related Transactions

- (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations made to us, we are of the opinion that, the transactions in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.

vi. Deposits from Public

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit to which the provisions of Section 58A of the Companies Act 1956 and Rules made thereunder and also the directives of Reserve Bank of India apply.

vii. Internal Audit

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii. Cost Records

In our opinion and according to the information and explanations given to us, the provisions for maintenance of Cost Records and Accounts as prescribed by the Central Government under Section 209 (1)(d) do not apply.



ix. Payment of Statutory Dues

- (a) According to the records of the Company, it has been regular in depositing undisputed statutory dues including provident fund, Income tax, Sales tax, Excise Duty, Customs Duty, Cess and other Statutory Dues and there are no arrears outstanding as at year end for a period of more than six months from the date they became payable. ***However the Company has not paid Sales Tax amounting to Rs.70,06,695 /- which the company is liable to pay upon expiry of the tax holiday availed by the Company as deferment of Sale tax as prescribed by the State Government***

x. Accumulated Losses / Cash Losses

As at 31st March, 2010, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash loss in the year under report and in the preceding financial year.

xi. Default in payments of dues

The Company has not made any default in repayment of dues.

xii. Grant of Secured Loans and Advances

As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.

xiii. Special Statute-Chit Fund Companies, Nidhis/Mutual Benefit Fund/Societies

Not Applicable to Company.

xiv. Company dealing in Trading in Shares, Securities, etc.

Not Applicable to Company.

xv. Provision of Guarantee

According to the information and explanations given to us, and the representations made by the management and as per the books of account verified by us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.



xvi. Term Loans

During the year under reference, Company has not borrowed any amount by way of Term Loan.

xvii. Usage of Funds

According to the information and explanations given to us and upon examination of the books of accounts of the Company, no Long Term funds have been introduced in the Company during the year.

xviii. Preferential Allotments

The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix. Creation of Security for Debenture Issue

The company has not issued debentures.

xx. Disclosure of End use of Funds

The Company has not raised any money during the year through any public issue.

xxi. Frauds

According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

**For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS**

VADODARA, 14TH AUGUST, 2010

**(D. P. SHAH)
PARTNER**



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	AS AT 31.03.2010		AS AT 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	43,982,500		43,982,500	
Reserves and Surplus	2	<u>2,500,000</u>	46,482,500	<u>2,500,000</u>	46,482,500
Loan Funds					
Secured Loans	3	92,186,000		95,992,186	
Unsecured Loans	4	<u>50,051,918</u>	<u>142,237,918</u>	<u>42,421,871</u>	<u>138,414,057</u>
			<u>188,720,418</u>		<u>184,896,557</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	61,736,313		73,270,136	
Less : Depreciation		<u>48,999,405</u>		<u>57,196,573</u>	
Net Block			12,736,908		16,073,564
Capital Work in Progress			20,135,932		20,135,932
Investments	6		7,696,000		7,696,000
Current Assets, Loans and Advances					
Inventories		8,710,453		3,276,019	
Sundry Debtors		90,728		3,385,235	
Cash and Bank Balances		382,269		739,147	
Loans and Advances		<u>1,161,084</u>		<u>2,128,346</u>	
		10,344,534		9,528,747	
Less : Current Liabilities and Provisions					
Current Liabilities		15,474,682		8,677,990	
Provisions		<u>106,346</u>		<u>1,597,058</u>	
		15,581,028		10,275,048	
Net Current Assets			(5,236,494)		(746,302)
Miscellaneous Expenditure			1,256,015		1,752,019
Profit and Loss Account			152,132,057		139,985,344
			<u>188,720,418</u>		<u>184,896,557</u>
Notes on Accounts	15				

As per our report of even date attached
For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(D. P. SHAH)
PARTNER
VADODARA, 14TH AUGUST, 2010

(KAYUM R. DHANANI)
MANAGING DIRECTOR

(BIJI PAUL)
DIRECTOR

VADODARA, 14TH AUGUST, 2010



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
	Schedule	Rupees	Rupees
INCOME			
Sales	9	2,392,801	27,752,122
Less : Excise Duty		-	34,674
Net Sales		<u>2,392,801</u>	<u>27,717,449</u>
Other Income	10	133,051	221,558
		<u>2,525,852</u>	<u>27,939,006</u>
EXPENDITURE			
Materials	11	1,221,915	12,130,588
Manufacturing Expenses	12	882,391	3,766,876
Employees' Emoluments	13	8,803,658	10,857,536
Interest		-	3,611,431
Selling and Administration Exp.	14	2,002,289	2,595,961
Depreciation	5	1,767,941	1,995,121
		<u>14,678,194</u>	<u>34,957,513</u>
Loss for the Year		(12,152,342)	(7,018,507)
Income Tax in Respect of Previous Year Provisions for FBT		5,628	-
		-	(34,000)
(LOSS) AFTER TAXES		(12,146,714)	(7,052,507)
Balance Brought Forward		(139,985,343)	(132,932,837)
Balance Carried to Balance Sheet		(152,132,057)	(139,985,344)
Notes on Accounts	15		

As per our report of even date attached

For and on behalf of the Board of Directors

FOR PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS

(D. P. SHAH)
PARTNER

(KAYUM R. DHANANI)
MANAGING DIRECTOR

(BIJI PAUL)
DIRECTOR

VADODARA, 14TH AUGUST, 2010

VADODARA, 14TH AUGUST, 2010



SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03. 2010		AS AT 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE ' 1 '				
SHARE CAPITAL				
Authorised				
60,00,000 Equity shares of Rs. 10/- each		<u>60,000,000</u>		<u>60,000,000</u>
Issued, Subscribed and Paid-up				
44,41,300 Equity Shares of Rs.10/- each,	44,413,000		44,413,000	
Less : Allotment Money Due	<u>430,500</u>		<u>430,500</u>	
		<u>43,982,500</u>		<u>43,982,500</u>
SCHEDULE ' 2 '				
RESERVES AND SURPLUS				
State Subsidy		<u>2,500,000</u>		<u>2,500,000</u>
		<u>2,500,000</u>		<u>2,500,000</u>
SCHEDULE ' 3 '				
SECURED LOANS				
From Sara Soule Private Limited.		92,186,000		92,172,032
[Secured by way of execution of an Agreement to create Mortgage and charge by the Company in favour of the lender]				
From Gujarat State Finance Corporation				3,820,154
((Secured by way of Hypothecation charge on few of the machines of the Company under the Hire Purchase Scheme)				
Note: All the above loans are personally guaranteed by some of the Directors of the Company.				
		<u>92,186,000</u>		<u>95,992,186</u>



SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.2010		AS AT 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE ' 4 '				
UNSECURED LOANS				
Loans from Body Corporates	24,904,158		17,272,110	
Loans from Director	18,141,064		18,143,065	
Sales Tax Deferred Loan	<u>7,006,696</u>		<u>7,006,696</u>	
		<u>50,051,918</u>		<u>42,421,871</u>
SCHEDULE ' 6 '				
INVESTMENTS				
LONG TERM INVESTMENTS IN SHARES (UNQUOTED)				
Equity Shares (Fully Paid Up)	7,696,000		7,696,000	
Ahilya Hotels Limited				
[1,92,400 Equity shares of Rs. 10/- each (issued at Rs. 40/- each)]		<u>7,696,000</u>		<u>7,696,000</u>
SCHEDULE ' 7 '				
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories				
Raw Materials	-		1,063,745	
Consumable Stores	-		533,049	
Machinery Parts	-		612,591	
Packing Materials	-		43,440	
Goods in Progress	-		190,129	
Finished Goods	616,502		833,065	
Stock of Tading Materials	<u>8,093,951</u>	8,710,453	-	3,276,019
[Inventories taken, valued and certified by the Management.Method of Valuation is stated in Note 1(E) of Schedule 15.]				
Sundry Debtors				
UnSecured, Considered Doubtful	-		151,304	
UnSecured, Considered Good Over six months	-		381,060	
Others	<u>90,728</u>	90,728	<u>2,852,870</u>	3,385,234
Cash and Bank Balances				
Cash on hand	30,668		25,540	
Bank Balances With Schedule				
Banks in current accounts	<u>351,601</u>	382,269	<u>713,607</u>	739,147
Loans and Advances				
(Advances recoverable in cash or in kind, or for value to be received)				
Advances to Suppliers	612,000		612,000	
Advance to Corporates	-		-	
Pre Paid Expenses	-		89,225	
Loans to Employees	400		490,700	
Deposits with Government Departments	170,851		170,851	
Other Deposit	100,800		-	
Balance With Excise Department	-		-	
Balance with revenue Department	<u>277,033</u>	1,161,084	<u>765,570</u>	2,128,346
Total		<u>10,344,534</u>		<u>9,528,746</u>



SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE '5'
FIXED ASSETS AND DEPRECIATION

Sr No.	DESCRIPTION OF ASSET	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K		
		As at 01.04.09 Rupees	Additions In 2009-10 Rupees	Deductions In 2009-10 Rupees	Discardation In 2009-10 Rupees	As at 31-03-10 Rupees	For 2009-10 Rupees	Recouped 2009-10 Rupees	As at 31.03.10 Rupees	As at 31-03-10 Rupees
1.	Land and Development	1,397,950	-	-	-	1,397,950	-	-	-	1,397,950
2.	Buildings	11,640,060	-	-	-	11,640,060	388,778	-	6,437,771	5,202,289
3.	Plant & Machinery	53,742,463	-	-	10,903,187	42,839,276	977,637	9,743,289	37,280,569	5,558,707
4.	Furniture & Fixtures & Dead Stock	5,913,751	-	117,375	-	5,796,376	369,063	85,480	5,257,949	538,427
5.	Computers	117,160	-	58,580	-	58,580	10,960	10,960	19,044	39,536
6.	Vehicles	458,752	-	454,681	-	4,071	21,503	125,382	4,071	-
	Total	73,270,136	-	630,636	10,903,187	61,736,313	1,767,941	9,965,111	48,999,404	12,736,909
	Previous Year	73,242,636	27,500	-	-	73,270,136	1,995,121	-	57,196,573	16,073,563
	Capital Work in Progress	20,135,932	-	-	-	20,135,932	-	-	-	20,135,932



SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.2010		AS AT 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE ' 8 '				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors	15,474,682		8,677,990	
Provision for FBT	64,000		64,000	
Provision for Gratuity and Leave Encashment	42,346		1,533,058	
		<u>15,581,028</u>		<u>10,275,048</u>
	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE ' 9 '				
SALES				
Domestic Sales	1,743,536		16,022,688	
Export Sales	-		719,464	
Processing Charges	649,265	2,392,801	7,369,970	24,112,122
Traded Goods	-	-	-	3,640,000
		<u>2,392,801</u>		<u>27,752,122</u>
SCHEDULE ' 10 '				
OTHER INCOME				
Duty Drawback		-		23,249
Interest Earned		68,124		36,086
Miscellaneous Income		64,927		162,223
		<u>133,051</u>		<u>221,558</u>
SCHEDULE ' 11 '				
MATERIALS				
Raw Materials Consumption				
Stock at commencement	1,063,745		2,309,794	
Add : Purchase	672,292		6,631,164	
	1,736,037		8,940,958	
Less : Sales of Raw Material	920,814		-	
Less : Closing Stock	-	815,223	1,063,745	7,877,213
Variance in Stocks				
Stock at close				
Work-in-process	-		190,129	
Finished Goods	616,502		833,065	
	616,502		1,023,194	
Less:Stock at Commencement				
Work-in-process	190,129		605,580	
Finished Goods	833,065		1,333,322	
	1,023,194		1,938,902	
Stock decreased by		406,692		915,708
Purchases of Traded Goods	76,49,710			3,337,667
Add : job Work Charges	444,241			
Less : Stock At Close	8,093,951			
		<u>1,221,915</u>		<u>12,130,588</u>

19-2010



WELTERMAN INTERNATIONAL LTD. 18th Annual Report 2009-2010

SCHEDULES FORMING PART OF ACCOUNTS

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Rupees	Rupees	Rupees	Rupees

SCHEDULE '12'**MANUFACTURING EXPENSES**

Power and Fuel		322,768		1,004,849
Repairs to:				
- Machinery	623,310		502,617	
- Building	-	623,310	37,569	540,186
Dies and Tooling Expenses		-		11,662
Stores Consumption		(65,412)		2,192,714
Factory Expenses		1,725		17,465
		<u>882,391</u>		<u>3,766,876</u>

SCHEDULE '13'**EMPLOYEES' EMOLUMENTS**

Salaries, Wages, Bonus etc.	7,652,977		10,108,539	
Contribution to P.F and Other Funds	58,113		497,954	
Workmen and Staff welfare Expenses	46,573		251,043	
Gratuity and Leave Encashment	1,045,995		-	
	<u>8,803,658</u>		<u>10,857,536</u>	

SCHEDULE '14'**SELLING AND ADMINISTRATION EXPENSES**

Audit Fees and Professional Charges	486,647		798,595	
Bank Charges	886		44,113	
Banking Cash Transaction Tax	-		7,325	
General Expenses	59,563		257,869	
Insurance Premium	81,367		73,220	
Loss on Discardation of Plant and Machinery	501,398		-	
Loss on Discardation of Other Assets	105,068		-	
Others Repairs	2,995		13,795	
Packing and Forwarding Expenses	45,793		316,383	
Postage and Telephone Expenses	45,986		96,984	
Printing and Stationery	27,056		86,656	
Rates and Taxes	-		15,712	
Security Expenses	277,956		282,719	
Selling Expenses	36,133		15,762	
Sundry Balances W/Off	192,588		-	
Travelling and Conveyance Expenses	113,969		147,094	
Vehicle Expenses	24,884		439,734	
	<u>2,002,289</u>		<u>2,595,961</u>	

03.2009
Rupees0,275,04831.03.2009
Rupees4,112,122
3,640,000
7,752,12223,249
36,086
162,223
221,558

7,877,213

915,708
3,337,6672,130,588

19-2010

03.2009
Rupees0,275,04831.03.2009
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7,877,213

915,708
3,337,6672,130,588**WELTERMAN INTERNATIONAL LTD. 18th Annual Report 2009-2010****SCHEDULES FORMING PART OF ACCOUNTS**

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '12'				
MANUFACTURING EXPENSES				
Power and Fuel		322,768		1,004,849
Repairs to:				
- Machinery	623,310		502,617	
- Building	-	623,310	37,569	540,186
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Stores Consumption		(65,412)		2,192,714
Factory Expenses		1,725		17,465
		<u>882,391</u>		<u>3,766,876</u>
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Gratuity and Leave Encashment		1,045,995		-
		<u>8,803,658</u>		<u>10,857,536</u>
SCHEDULE '14'				
SELLING AND ADMINISTRATION EXPENSES				
Audit Fees and Professional Charges		486,647		798,595
Bank Charges		886		44,113
Banking Cash Transaction Tax		-		7,325
General Expenses		59,563		257,869
Insurance Premium		81,367		73,220
Loss on Discardation of Plant and Machinery		501,398		-
Loss on Discardation of Other Assets		105,068		-
Others Repairs		2,995		13,795
Packing and Forwarding Expenses		45,793		316,383
Postage and Telephone Expenses		45,986		96,984
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Rates and Taxes		-		15,712
Security Expenses		277,956		282,719
Selling Expenses		36,133		15,762
Sundry Balances W/Off		192,588		-
Travelling and Conveyance Expenses		113,969		147,094
Vehicle Expenses		24,884		439,734
		<u>2,002,289</u>		<u>2,595,961</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

FINANCIAL YEAR
(Rs. in Lacs)

PARTICULARS	2009 - 2010		2008 - 2009	
	Amt. Rs.	Amt. Rs.	Amt. Rs.	Amt. Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
NET LOSS BEFORE TAX AND EXTRAORDINARY ITEMS		(121.47)		(70.53)
Add:- Adjustments for:				
Depreciation	17.68		19.95	
Interest paid	0.00		36.11	
Interest received	(0.68)		(0.36)	
Loss on Sale of Asset	6.06	23.06	-	55.70
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES (A)		(98.40)		(14.82)
Adjustments for:				
Trade and Other Receivables	42.62		98.38	
Inventories	(54.34)		27.02	
Trade payables	53.06	41.33	(19.48)	105.92
CASH GENERATED FROM OPERATIONS C = (A+B)		(57.07)		91.10
Interest Paid	-		-	
Excess provision for income tax	-		-	
Payment on VRS to be Amortised in future years	4.96		(13.04)	
Prior Period and Extra Ordinary Items	0.00	4.96	0.01	(13.03)
NET CASH FROM OPERATING ACTIVITIES		(52.11)		78.07
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Investments	-		(76.96)	
Purchase of Fixed Assets	-		(0.28)	
Sale of Fixed Asset	9.62		-	
Interest received	0.68		0.36	
NET CASH FLOW FROM INVESTING ACTIVITIES		10.30		(76.88)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	-		(36.11)	
Short Term Borrowings accepted	76.30		(601.96)	
Long Term borrowings repaid	(38.06)	38.24	633.20	(4.87)
NET CASH GENERATED FROM FINANCING ACTIVITIES				
Net Increase in cash and cash equivalents		(3.57)		(3.68)
Cash and Cash equivalent as at the beginning of the year		7.39		11.07
Cash and Cash equivalent as at the end of the year		3.82		7.39

Notes: Figures in brackets indicate disposition of funds and others indicate generation of funds except the figures of cash and cash equivalents at the beginning and at the end of the years

For and on the behalf of the Board of Directors

KAYUM R. DHANANI
MANAGING DIRECTOR

VADODARA, 14TH AUGUST, 2010

BIJI PAUL
DIRECTOR



2008 - 2009

Amt. Rs.

(70.53)

55.70

(14.82)

105.92

91.10

(13.03)

78.07

(76.88)

(4.87)

(3.68)

11.07

7.39

apt the

AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of Welterman International Ltd. for the year ended 31st March, 2010. This statement has been compiled by the Company from the audited financial statement for the year ended 31st March, 2010 and 31st March 2009. We found the same to be in accordance with the requirement of clause 32 of the listing agreement with stock exchange.

For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS

(D. P. SHAH)
PARTNER

VADODARA, 14TH AUGUST, 2010



SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE ' 15 '

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation

The accounts have been prepared using historical cost convention and on the basis of a going concern, with revenues recognised and expenses accounted for on accrual, including for committed obligations.

Where changes in presentation are made, comparative figures for the previous year have been regrouped accordingly.

(B) Fixed Assets

(a) Capitalized at acquisition cost including directly attributable cost such as freight insurance and specific installation charge for bringing the asset to its working condition for use.

(b) Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance/life of the assets as assessed earlier.

(C) Depreciation

Depreciation is charged on Plant and Machineries as per Written Down Value method and on the Other Assets as per the Straight Line Method from the date of installation/use asset at the rates and in the manner prescribed under schedule X1V to the Companies Act, 1956.

(D) Investments

Long Term Investments are stated at cost less provision, if any, for decline other than temporary in their value.

(E) Valuation of Inventories

Inventories are valued as under :

(a) Raw Materials, Work in Progress, Trading Goods and Finished Goods are valued at lower of Cost or Net Realisable Value using First in First Out Method.

(b) Stores and Spares, Machinery Parts and Packing Materials are valued at cost using First in First out method.

**(F) Sales**

Sales are inclusive of Excise duty and exclusive of Sales Tax, VAT if any.

(G) Contingencies and Events Occurring After the Date of Balance Sheet

Accounting for contingencies (gains and losses) arising out of contractual obligations are made only on the basis of mutual acceptance.

Where material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

(H) Benefits to Workmen

Gratuity and encashment of earned privilege leaves are the retirement benefits available to the employees when they leave the job. Liabilities in respect of such benefits as on the last day of the year under report have been determined on the basis of actuarial valuation and have been provided in the books of accounts.

(I) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time of occurrence of the transactions. Upon realisation, the resultant gain/loss are adjusted in the respective account.

(J) Payments made under VRS Scheme

Payments made under Voluntary Retirement Scheme, are amortised over a period of 5 Years commencing from the year of payment.

2. During the Year under report, the Company has written off 1/5th component, Rs. 4,96,005, towards the Voluntary Retirement Scheme to the workmen who opted retirement in previous years U/s 35DDA of the Income Tax Act, 1961
3. Due to persistent unviability of the production unit, the Directors decided to close down the entire plant in May, 2009 and hence the purchase – production – sales activity in respect of the manufacturing unit is closed.
4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
5. Debit and Credit balances in party accounts are subject to confirmation and reconciliation. In absence of taxable income, provision for Income Tax has not been made.
6. No interest has been paid/ provided on unsecured loans obtained from the Promoters and Associate Companies as per the conditions imposed by financial institutions.
7. The Company has yet to comply provisions of Section 383-A of the Companies Act 1956 in respect of appointment of Company Secretary and provisions of Section 205-A of the Companies Act, 1956 in respect of payment of Dividend for the year 1995-96. However a Practicing Company Secretary has been appointed as a retainer.



8. In the absence of sufficient information, disclosure of particulars regarding unpaid amounts exceeding for 30 days to Small Scale Industrial Undertakings as defined under the Industries (Development and Regulation) Act, 1951 could not be made.

10 Accounting for Taxes on Income AS – 22

The Company has not been liable to pay any Income-tax for the year as the Company has been in loss. Further the Company has huge Unabsorbed Business Losses and Unabsorbed Depreciation under the Income tax Act and hence its Deferred Tax Assets are much in excess of Deferred Tax Liabilities. Net deferred tax asset has not been recognised by the way of prudence in accordance with Accounting Standard –AS 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, in absence of virtual certainty of future profits.

11 Quantitative information in regard to class of goods manufactured by the Company.

Class of Goods	Unit of Measure	Installed Capacity Qty.	Manufactured Qty. for Job work		Manufactured Qty. for Sales	
			2009-2010	2008-2009	2009-2010	2008-2009
Soles	Pair	1200000	9,730	10,3082	8,667	97,953
Heels	Pair	1200000		559	794	7,130
Welt	Mts.	1800000		93,750	7,200	2,000

12. Quantities and Sales value in respect of each class of goods dealt with by the Company.

Class of Goods Manufactured	Unit of Measure	2009-2010		2008-2009	
		Qty.	Sales Value Rupees	Qty.	Sales Value Rupees
Soles	Pair	9664	16,46,519	100581	1,59,36,764
Heels	Pair	997	60,817	7130	4,15,387
Welts	Mts.	7200	36,200	2000	29,000
Job Work					
Soles	Pair	10258	6,49,265	103900	71,47,292
Heels	Pair	-	-	559	11,739
Welts	Mts.	-	-	93750	2,10,940
Goods Traded	MT	-	-	10	20,80,000
PCS	-	-	-	5000	15,60,000
Tunit Rubber Sheet	Sheet	-	-	1805	3,61,000
	Total		23,92,801		2,77,17,449



13. RAW MATERIALS CONSUMPTION

	Unit of Measure	2009-2010		2008-2009	
		Qty.	Value Rupees	Qty.	Value Rupees
(i) Leather	Kgs.	2432	6,58,825	24964	52,52,988
(ii) Massonite Sheet	Nos.	400	81,938	4739	8,92,508
(iii) Rubber Sheet	Nos.	378	1,76,761	6247	12,10,107
(iv) Rubber Top lift	Nos./Pair	-	-	860	14,434
(v) Welt Sheet	Nons.	162	33,081	331	77,304
(vi) Ready made Welts	Mtrs	-	-	753	12,965
(vii) Leather Board	Nons.	4	47,411	27	2,86,391
(viii) Others	Nons.		2,23,899		1,30,516
Total			12,21,915		78,77,213

All the Raw Materials consumed have been procured from indigenous sources and no imports have been made during the year.

14. Quantitative details and value in regard to closing stock of finished goods.

Class of Goods	Unit of Measure	2009-2010		2008-2009	
		Qty.	Value Rupees	Qty.	Value Rupees
Soles	Pair	10162	6,16,502	11159	8,20,682
Heel	Pair			203	12,383
TOTAL			6,16,502		8,33,065

15. Related Party Disclosure as per Accounting Standard 18 – "Related Party Disclosures"

I)	Related Party and its Relationship	
	Name of Related Party	Sara Suole Pvt Ltd. Aashika Leather Pvt. Ltd
	Key Management Personnel	Kayum R. Dhanani (Managing Director)

aid amounts under the

Company has and Unabs are much sed by the counting for bsence of

Company.

Qty. for 2008-2009

97,953

7,130

2,000

Company.

2009

Sales Value Rupees

1,59,36,764

4,15,387

29,000

71,47,292

11,739

2,10,940

20,80,000

15,60,000

3,61,000

77,17,449



II) Material Transactions with Related Parties

	Particulars	For The Year Ended on 31st March, 2010 (Amt in Rs.)	For The Year Ended on 31st March, 2009 (Amt in Rs.)
1	Sales of Trading Goods - to Sara Suole Pvt. Ltd.	26,65,088	40,81,020
2	Secured Loan taken - from Sara Suole Pvt Ltd.	-	3,24,76,000
3	Processing Charges	33,150	2,64,938
4	Purchase of Goods	4,335	-
5	Unsecured Loan Repid - to Mr. Kayum R Dhanani - to Aashika Leather Pvt. Ltd	2,000 1,00,000	

III) Outstanding at the end of the year

	Particulars	As at 31 st March, 2010 (Amt in Rs.)	As at 31 st March, 2009 (Amt in Rs.)
a)	Receivables from: Sara Suole Pvt. Ltd (Trade A/c)	-	7,01,585
b)	Payable to: Sara Suole Pvt. Ltd (Secured Loan) Sara Suole Pvt. Ltd (Unsecured Loan)	9,21,86,000 15,83,241	9,21,72,032 24,51,193
	Sara Suole Pvt. Ltd (Creditor)	9,98,610	9,94,275
	Mr. Kayum R Dhanani (Unsecured Loan, Interest free)	1,81,41,064	1,81,43,064
	Aashika Leather Pvt. Ltd (Unsecured Loan, Interest free)	2,27,000	3,27,000



16. Auditors' Remuneration

	<u>2009-2010</u> Rupees	<u>2008-2009</u> Rupees
Audit Fees	16,545	19,500
Tax Audit	5,515	4,000
Income Tax Matters		10,000
Fringe Benefits Tax Matters		4,000
Total	<u>22,060</u>	<u>37,500</u>

17. Imports, Expenditure and Earning in Foreign Currencies.

	<u>2009 - 2010</u> Rupees	<u>2008 - 2009</u> Rupees
(a) Expenses in Foreign Currencies:		.
Raw Leather Purchase		
C.I.F value of Consumable Stores and Parts	43,42,748	34,84,894
(b) Earning in Foreign Currencies		
F.O.B. Value of Exports		7,19,137

18. Figures for the previous year have been regrouped, rearranged and recast wherever necessary so as to make them comparable with those of the current year.

Year Ended
March, 2009
(Amt in Rs.)

0,81,020

4,76,000

2,64,938

March, 2009
(Amt in Rs.)

7,01,585

21,72,032

24,51,193

9,94,275

81,43,064

3,27,000



19. Balance Sheet Abstract and Company's General Business Profile:

I REGISTRATION DETAILS OF THE COMPANY

1	Registration Number	
2	State Code	17613
3	Balance Sheet Date	04 31.03.2010

II CAPITAL RAISED DURING THE YEAR

		Amt Rs.
1	Public Issue	NIL
2	Right Issue	NIL
3	Bonus Issue	NIL
4	Private Placement	NIL

III DETAILS OF MOBILISATION AND DEPLOYMENT OF FUNDS

		Amt Rs.
1	Total Assets	18,87,20,418
2	Total Liabilities	18,87,20,418

SOURCES OF FUNDS

		Amt Rs.
1	Paid up Capital	4,39,82,500
2	Reserve and Surplus	25,00,000
3	Secured Loans	9,21,86,000
4	Unsecured Loans	5,00,51,918

APPLICATION OF FUNDS

		Amt. Rs.
1	Net Fixed Assets	1,27,36,908
2	Work in Progress	2,01,35,932
3	Net Current Assets	(52,36,494)
4	Profit and Loss Account	15,21,32,057
5	Miscellaneous Expenditure	12,56,015

IV PERFORMANCE OF THE COMPANY

		Amt. Rs.
1	Turnover (Including Other Income)	25,25,852
2	Total Expenditure	1,46,78,194
4	Loss for the Year	1,21,46,714
5	Earning per Share	(2.73)
6	Dividend Rate %	NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS

Sr.No.	Item Code Number(I. T.C. No.)	Product Description
1.	64069930	Manufacturing of Leather Soles

As per our report of even date attached

For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(D. P. SHAH)
PARTNER

(KAYUM R. DHANANI)
MANAGING DIRECTOR

(BIJI PAUL)
DIRECTOR

VADODARA, 14TH AUGUST, 2010

VADODARA, 14TH AUGUST, 2010



**18TH ANNUAL GENERAL MEETING
WELTERMAN INTERNATIONAL LIMITED**

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

ATTENDANCE SLIP

18th Annual General Meeting on Thursday, the 9th September, 2010

Regd. Folio No. _____ No. of Shares held _____

Mr./Mrs./Miss _____

I certify that I am a Registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 18th Annual General Meeting on Thursday, 9th September, 2010 at Plot No. 1135, At & Post - Lamdapura, Lamdapura Road, Tal. Savli, Dist. Vadodara at 12.00 noon

Member's Proxy's name in Block Letters _____

Member's/Proxy's Signature _____

NOTES :

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a member.
2. A member/proxy/authorised representative wishing to attend the meeting must complete this Attendance slip before coming to the Meeting and hand it over at the entrance.
3. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

WELTERMAN INTERNATIONAL LIMITED

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

PROXY FORM

Regd. Folio No. _____ No. of Shares held _____
I/We _____ of _____

_____ in the district of _____ being a member/members of

WELTERMAN INTERNATIONAL LIMITED hereby appoint _____

_____ of _____

_____ of _____

_____ In the district of _____ or

failing him _____ of _____

_____ In the district of _____ or

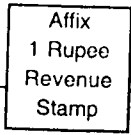
failing him _____ of _____

_____ In the district of _____

as my / our Proxy to vote for me/us, on my/our behalf at the **18th ANNUAL GENERAL MEETING** of the Company to be held on Thursday, the 9th September, 2010 at 12.00 noon and at any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____, 2009.

Signed by the Said _____



Note : The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

17613
04
13.2010
Amt Rs.
NIL
NIL
NIL
NIL
Amt Rs.
20,418
20,418
Amt Rs.
1,82,500
1,00,000
1,86,000
1,51,918
Amt. Rs.
1,36,908
1,35,932
1,36,494
1,32,057
2,56,015
Amt. Rs.
5,25,852
5,78,194
1,46,714
(2.73)
NIL

cription
er Soles

Directors

I PAUL)
ECTOR

Book-Post

To,

If undelivered, please return to,

WELTERMAN INTERNATIONAL LTD.

Plot No. 1135, Lamdapura Road,

Near Manjusar, At & Post : Lamdapura – 391 775

Tal. Savli, Dist. Vadodara.
