

WELTERMAN INTERNATIONAL LTD.

TWENTY FIRST ANNUAL REPORT

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BOARD OF DIRECTORS

KAYUM R. DHANANI	DIRECTOR
BIJI PAUL	DIRECTOR
SHAMIM SHEIKH	DIRECTOR
PAVIT G. AMIN	DIRECTOR

AUDITORS

Parikh Shah Chotalia & Associates
Chartered Accountants
Vadodara.

BANKERS

HDFC BANK LTD
Alkapuri Vadodara

REGISTERED OFFICE

AND

FACTORY

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

TRADING UNIT

4/249, Alagappa Nagar,
PTC QTRS-Thuraipakkam
Chennai-600097

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NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of **WELTERMAN INTERNATIONAL LIMITED** will be held on Saturday, the 28th September, 2013 at 12.00 noon at the Registered Office at Plot No. 1135, Lamdapura Road, Nr. Manjusar, At & Post, 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, 2013 and Profit & Loss Account for the year ended even date alongwith the Report of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Biji Paul, who retires by rotation and being eligible offers himself for appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) following resolution, as an ORDINARY RESOLUTION.

“RESOLVED THAT Mr. Kayum Dhanani who was appointed as an Additional Director pursuant to section 260 of the Companies Act, 1956 read with relevant clause of the Articles of Association of the Company to hold office up to the ensuing Annual General Meeting, for whom requisite notice u/s 257 of the Companies Act, 1956 is received, be and is, hereby appointed as a Director liable to retire by rotation.”

FOR AND ON BEHALF OF THE BOARD

Kayum R. Dhanani
CHAIRMAN

Place: Vadodara
Date: 25th May, 2013

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 26th September, 2013 to 28th September, 2013 (both days inclusive)
4. A relative explanatory statement as required under Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
5. In line with “GREEN INITIATIVE” of the Ministry of Corporate Affairs vide their circular dtd 06/06/2011, members are requested to send their consent to receive communication electronically at the e-mail address in the format appearing in last page of this report.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 4

Mr. Kayum Dhanani, in view of his preoccupations, resigned from the office of Director (including Managing Director) of the Company in view of his preoccupations. However, keeping in view his valuable contributions to the Company, he was persuaded to continue atleast as a Non Executive Director. Accordingly, your Directors appointed him as an Additional Director on 14th February, 2013.

The Company has received requisite notice pursuant to Section 257 of the Companies Act, 1956 for his reappointment as Retiring Director. Your Directors seek your approval to the resolution as appearing in item no. 4 of the accompanying notice by way of Ordinary Resolution.

Except, Mr. Kayum Dhanani and his relative Ms. Shamim Sheikh, no other Director shall be deemed to be interested or concerned in the resolution.

Place: Vadodara
Date: 25th May, 2013

FOR AND ON BEHALF OF THE BOARD

Kayum R. Dhanani
CHAIRMAN

Details of the Director seeking appointment/ reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name	Mr. Kayum R. Dhanani	Mr. Biji Paul
Date of Birth & Age	7 th May, 1972 (41 years)	23 rd May, 1968 (45 years)
Date of Appointment	14 th February, 2013	31 st July, 1998
Qualifications	IGCS, Cambridge University	I.T.I, Diploma in Civil
No. of Shares held	1,999,800	Nil
Experience	20 Years	20 Years
Directors Ship in other public companies	1. UNIERA LABORATORIES LIMITED 2. ASHIKA LEATHERS PRIVATE LIMITED 3. SARA SUOLE PRIVATE LIMITED 4. KSHIPRA RESTAURANTS PRIVATE LIMITED 5. FAVORITE RESTAURANTS PRIVATE LIMITED 6. MALWA HOSPITALITY PRIVATE LIMITED 7. SAYAJI HOTELS LIMITED 8. BARBEQUE-NATION HOSPITALITY LIMITED 9. ARIES HOTELS PRIVATE LIMITED 10. RUOSH Retail Private Limited	- N.A.-
Chairmanship/membership of committees	Audit Committee ❖ Member	Audit Committee ❖ Member Shareholders/Investors Grievance Committee ❖ Chairman

\$ Directorship in private companies, foreign companies and associates are excluded.

@ Represents Membership/Chairmanships of Audit Committee and Shareholders'/Investors Grievance Committee only.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure to present their **TWENTY FIRST ANNUAL REPORT** together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2013:

1) FINANCIAL & WORKING RESULTS:

Particulars	2012-13 Rs.	2011-12 Rs.
Total income	20,77,76,512	23,09,37,749
Gross Profit/ (Loss) Before Depreciation:	(21,65,061)	(12,76,283)
(Less): Depreciation	(8,63,548)	(11,05,860)
PROFIT / (LOSS) BEFORE TAX	(30,28,609)	(23,82,143)
(Add): Deferred Tax	-	1,92,29,039
(Add): Excess Provisions for Tax	5011	-
PROFIT/ (LOSS) AFTER TAX	(30,23,598)	1,68,46,896
Balance brought forward	(12,54,65,042)	(14,23,11,938)
(LOSS) CARRIED TO BALANCE SHEET	(12,84,88,640)	(12,54,65,042)

In view of overall economic slowdown, total income of the Company is reduced by around 10% and loss before tax has increased by around 27%. However, in view of judicious management policy, the Company has been able to achieve overall decrease in cost and thereby to restrict the losses.

2) DIVIDENDS:

In view of losses, your Directors do not recommend any 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 Industrial Company' registered under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and the matter of the Company is pending with Hon'ble BIFR.

5) PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration of Rs 60, 00,000 per annum or Rs. 5, 00,000 per month for any part of the year or more and hence no particulars as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 are required to be furnished.

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

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

7) DIRECTORS' RESPONSIBILITY STATEMENT :

- (i) Your Directors have followed the applicable accounting standards alongwith 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.

8) DIRECTORATE:

Mr. Biji Paul, Director of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Kayum R. Dhanani had resigned from the office of Director (including Managing Director) due to his preoccupation. However, due to his valuable contributions he was persuaded to continue atleast as a non executive director.

Your Directors have appointed Mr. Kayum R. Dhanani as Additional Director on 14th February, 2013. You are requested to appoint him as Retiring Director.

9) 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. Devesh Vimal & Co., Practising Company Secretaries has been attached to this report.

10) AUDITORS:

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

A confirmation is received 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.

11) ACKNOWLEDGEMENTS:

Your Directors place on record their sincere gratitude to bank, financial institutions, shareholders, 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

(Kayum R. Dhanani)
CHAIRMAN

Place: Vadodara
Date : 25th May, 2013

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 disclosures and enhance stakeholder's 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 Four Directors

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

Meetings and Attendance

The Board of Directors meets at least once in every 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, **Four** Board meetings were held on **10th July 2012, 14th August 2012, 10th November 2012 and 14th February 2013.**

Attendance of directors at the meetings of the Board of Directors held during the year and Annual General Meeting held on 28.09.2012 was as follows:

Name of Director	No. of Board meetings attended during 2012-13.	Whether present at the last AGM
Shri Kayum R. Dhanani	4	Yes
Shri Biji Paul	4	Yes
Smt Shamim Sheikh	4	Yes
Shri Paveet G. Amin	4	Yes

AUDIT COMMITTEE

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II (D) of the Listing Agreement entered into with stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee comprises of three Directors viz. Shri Biji Paul and Shri Paveet Amin, both independent Directors in addition to Shri Kayum Dhanani, Promoter Non Executive Director.

During the year under review, Audit committee meetings were held **Four** times on **10th July 2012, 14th August 2012, 10th November 2012 and 14th February 2013** 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 as there is no Executive Director. 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. N. M. Patel and Mr. Biji Paul, in the best interest of the investors. The said authorized persons 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 Dematerialization 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
Eighteenth	Regd. Office of the Company at Plot No. 1135, AT & Post Lamdapura, Near Manjusar, Taluka Savali, District Vadodara	09/09/2010 at 12.00 Noon
Nineteenth	-do-	28/09/2011 at 11.00 a.m.
Twentieth	-do-	28/09/2012 at 12.00 Noon

No special resolutions were passed in any of the aforesaid meetings.

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 INFORMATION

21st Annual General Meeting: **Date: 28th September, 2013**
Time: 12 noon
Venue:
Registered office of the Company
 at Plot No. 1135,
 At & Post: Lamdapura,
 Near Manjusar,
 At: Savli, Dist: Vadodara.

Financial calendar

Unaudited results for the quarter ending on 30th June, 2013	Mid August, 2013
Unaudited results for the quarter ending on 30 th September, 2013	Mid November, 2013
Unaudited results for the quarter ending on 31 st December, 2013	Mid February, 2014
Audited results for the quarter ending on 31 st March, 2014	End of May, 2014

Dates of book closure:	26/09/2013 to 28/09/2013 (both days inclusive)
Listing on the Stock Exchanges	Bombay Stock Exchange Ltd. Vadodara Stock Exchange Ltd. Ahmedabad Stock Exchange Ltd. Madras Stock Exchange Ltd.
Stock code	526431 (BSE)
ISIN of the Company's Equity: Shares in demat form:	INE662D01013
Depository Connectivity:	CDSL
Registrar and share transfer Agent:	LINK INTIME INDIA PRIVATE LTD. B- 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara 390020 (Gujarat) India

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, 2013)

Range of Holding	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1-500	3674	94.2776	6,28,000	14.1400
501 – 1000	144	3.6952	1,18,100	2.6591
1001 – 2000	37	0.9495	60,700	1.3667
2001 – 3000	7	0.1796	17,700	0.3985
3001 – 4000	7	0.1796	28,000	0.6305
4001 – 5000	11	0.2823	53,300	1.2001
5001 – 10000	5	0.1283	31,100	0.7003
10001 & above	12	0.3079	35,04,400	78.9048
TOTAL	3897	100.0000	44,41,300	100.0000

Shareholding pattern (as on 31st March, 2013)

Category	No. of Shares held	% of total shares
Promoters	2,013,700	45.34
Institutional Investors		
a. Mutual funds	-	-
b. Banks, FIs, Insurance Companies	60,000	1.35
Other Bodies Corporate	949,500	21.38
NRI/OCBs (other than Promoters)	31,000	00.70
Indian Public	1,387,100	31.23
Total	44,41,300	100.00

Break up of shares in physical and Demat Segment (As on 31st March, 2013)

Segment	No. of Shares held	% to total Shares
Demat	23,31,900	52.50%
Physical	21,09,400	47.50%
Total	44,41,300	100.00 %

Address for communication:

LINK INTIME INDIA PRIVATE LTD.
B- 102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota,
Vadodara 390020 (Gujarat) India
E-mail: Vadodara@intimespectrum.com

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: Savli, 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 mainly focuses in small and cottage industries without brand image. The Indian Leather industry is growing at around 10% p.a. and has been carving its share by focusing on innovative designs, state of the art production, reliable delivery schedules in elite class. In view of stagnant economic growth in western countries, demand for high quality footwear product is expected to reduce there and they

may look for medium and low priced products which are predominantly manufactured in India and China.

Opportunities, outlook and Threats

With the opening up of FDI in the retail sector, the Company in industry is facing stiff competition not only from domestic retail players but from foreign players as well. Moreover rising inflation and uncertainty in business environment have posed big threat to the footwear industry. 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, rising inflation, 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 by focusing mainly on trading activities and are optimistic for the better future on sanction of the scheme.

Financial performance with respect to operational performance

Net loss of the Company during the financial year is 30.23 lacs.

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 regard 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 upgradation 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/CFO Certification

The Chairman and CFO have issued requisite certificates to the Board pursuant to Clause 49 of the Listing Agreement.

Date: 25th May, 2013
Place: Vadodara

K. R. Dhanani
Chairman

CODE OF CONDUCT COMPLIANCE

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Members and the Senior Personnel have confirmed compliance with the Code of Conduct for the year ended on 31st March, 2013

Date: 25th May, 2013
Place: Vadodara

K. R. Dhanani
Chairman

Auditors' Certificate on Corporate Governance

To

The Members of WELTERMAN INTERNATIONAL LIMITED

1. We have examined the compliance of the conditions of Corporate Governance by Welterman International Limited ('the Company') for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
 2. The compliance of the 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.
 3. The financial statements and other matters prescribed in para V of Clause 49 of the Listing Agreement, which are required to be certified by the Chief Executive Officer & CFO, have been certified by the Managing Director.
 4. 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 Clause 49 of the above mentioned Listing Agreement.
5. We state that in respect of investor grievance during the year ended 31st March, 2013, no grievances are pending for period exceeding one month against the Company as per the records maintained by the Shareholder's & Investor's Grievances Committee.
 6. 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**

Firm Reg. No. 118493w

**(D. P. SHAH)
PARTNER
(Mem. No.30454)**

**VADODARA
Dated: 25th May, 2013**

Independent Auditors' Report

**To the Members of
Welterman International Limited
Vadodara**

Report on the Financial Statements

We have audited the accompanying financial statements of **Welterman International Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013**, the Profit and Loss Statement and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report Continued

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Parikh Shah Chotalia & Associates
Chartered Accountants Firm Reg. No.

118493W

25th May, 2013, Vadodara

(D.P. Shah) Membership No:030454
Partner

Independent Auditors'

Report Continued

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 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 updated.***
- (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 granted an unsecured advance to a party covered under Section 301 of the Companies Act, 1956, during the year under report. The terms on which such advance has been given are not prejudicial to the interests of the company.
- 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.252.45 Lacs at the beginning of the year, accepted from Nine parties listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance from such parties was Rs. 163.04 Lacs.
- d) Interest on these loans is not paid nor has been provided as they are interest free. 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**

The Company has not introduced Internal Audit System though the same has been applicable to it.

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**

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.

x. **Accumulated Losses / Cash Losses**

As at 31st March, 2013, 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 r there was also cash loss 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, Company has signed an Agreement to Mortgage all its properties to collaterally secure the loans granted amounting to Rs. 97.83 Crores to Sara Suole Private Ltd. by consortium of its three banks.

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 on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, prima-facie, short term funds have not been utilized for long term purpose.

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 Firm Reg. No.

118493W

VADODARA, 25th May, 2013

(D. P. SHAH) (Mem. No.30454)
PARTNER

BALANCE SHEET AS ON 31ST MARCH, 2013

PARTICULARS	Note No.	As at 31.03.2013		As at 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
I. <u>EQUITY AND LIABILITIES</u>					
1. Shareholders' funds					
(a) Share Capital	3	43,982,500		43,982,500	
(b) Reserves and Surplus	4	(125,983,546)		(122,965,042)	
			(82,001,046)		(78,982,542)
2. Non- current liabilities					
Long-Term Borrowings	5	108,490,158		126,101,419	
			108,490,158		126,101,419
3. Current Liabilities					
(a) Short-Term Borrowings	6	4,031,390		-	
(b) Trade Payables		22,469,259		29,234,740	
(c) Other Current Liabilities	7	47,705,685		24,746,214	
(d) Short Term Provisions	8	-		5,011	
			74,206,335		53,985,965
TOTAL			100,695,447		101,104,842
II <u>ASSETS</u>					
1. Non-current assets					
(a) Fixed Assets	9				
(i) Tangible Assets		8,310,598		9,174,146	
(ii) Capital Work-in-Progress		20,135,932		20,135,932	
(b) Non-Current Investments	10	7,696,000		7,696,000	
(c) Deferred Tax Assets (Net)	11	19,229,039		19,229,039	
			55,371,569		56,235,117
2. Current Assets					
(a) Inventories	12	18,403,206		24,706,923	
(b) Trade Receivables	13	1,736,241		4,059,240	
(c) Cash and Bank Balances	14	7,189,140		2,126,093	
(d) Short-Term Loans and Advances	15	17,857,663		13,977,469	
(e) Other Current Assets	16	137,628		-	
			45,323,878		44,869,725
TOTAL			100,695,447		101,104,842

Significant accounting policies 1

Other Notes 23-32

Notes form an integral part of these financial statements

As per our report of even date attached
For PARIKH SHAH CHOTALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 118493W

(D. P. SHAH) Mem. No. 30454
PARTNER
VADODARA, 25TH MAY, 2013

For and on behalf of the Board of Directors

(KAYUM R. DHANANI)
DIRECTOR
VADODARA, 25TH MAY, 2013

(BIJI PAUL)
DIRECTOR

PROFIT & LOSS STATEMENT

PARTICULARS	Note No.	For the Year Ended 31.03.2013 Rs.	For the Year Ended 31.03.2012 Rs.
Revenue from Operations	17	206,468,974	227,867,086
Other Income	18	1,312,632	3,070,663
Total Revenue (I + II)		207,781,606	230,937,749
Expenses			
Purchases of Traded Goods	19	195,328,460	210,441,862
Changes in inventories of Stock-in- trade	20	6,303,717	10,966,228
Employee Benefit Expenses	21	2,860,783	3,375,929
Depreciation	9	863,548	1,105,860
Other Expenses	22	5,448,613	7,430,013
Total Expenses		210,805,122	233,319,892
Profit/ (Loss) Before Tax (III-IV)		(3,023,515)	(2,382,143)
Tax Expense:			
Deferred Tax Asset		-	19,229,039
Profit (Loss) for the Year (V - VI)		(3,023,515)	16,846,896
Earnings per Equity Share:			
Basic		(0.68)	3.79
Significant accounting policies	1		
Other Notes	23-32		
Notes form an integral part of these financial statements			

For and on behalf of the Board of Directors

(KAYUM R. DHANANI)
DIRECTOR

(BIJI PAUL)
DIRECTOR

VADODARA, 25TH MAY, 2013

CASH FLOW STATEMENT

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
	Amount (Rs.)	
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT(LOSS) BEFORE TAX	(3,023,515)	(2,382,143)
Add:- Adjustments for:		
Depreciation	863,548	1,105,860
VRS Payments amortised	-	760,010
Interest received	(165,218)	(9,950)
Profit on Sale / on Discardation of Asset	-	(70,480)
Excess Provision for Tax	5,011	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,320,174)	(596,703)
Adjustments for:		
Trade and Other Receivables	(1,694,823)	(12,397,695)
Inventories	6,303,717	10,966,228
Trade payables and Other Liabilities	16,188,980	20,797,874
CASH GENERATED FROM OPERATIONS	18,477,700	10,482,526
NET CASH FROM OPERATING ACTIVITIES	18,477,700	10,482,526
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Increase in Investments	-	-
Purchase of Fixed Assets	-	(14,386)
Sale of Fixed Asset	-	150,000
Interest received	165,218	9,950
NET CASH FLOW FROM INVESTING ACTIVITIES	165,218	145,564
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings (repaid) / Accepted	4,031,390	-
Long Term borrowings repaid	(17,611,261)	(9,200,000)
NET CASH GENERATED FROM FINANCING ACTIVITIES	5,063,047	1,428,090
Cash and Cash equivalents as at the beginning of the year	2,126,093	698,003
Net Increase in cash and cash equivalents	5,063,047	1,428,090
Cash and Cash equivalents as at the end of the year	7,189,140	2,126,093
As per our report of even date attached		
For PARIKH SHAH CHOTALIA & ASSOCIATES	For and on behalf of the Board of Directors	
CHARTERED ACCOUNTANTS		
Firm Reg. No. 118493W		

(D. P. SHAH) Mem. No. 30454

PARTNER

VADODARA, 25TH MAY, 2013

(KAYUM R. DHANANI)

DIRECTOR

VADODARA, 25TH MAY, 2013

(BIJI PAUL)

DIRECTOR

NOTES TO FINANCIAL STATEMENTS

NOTE '1'. BANKGROUND

Welterman International Limited (the Company) is a public limited company domiciled in India and was incorporated dated 13.05.1992 under the provisions of the Companies Act, 1956 having registered office at Plot No. 1135, At Post Manjusar, Lamdapura Road, Savli, Vadodara. Its shares are listed on the Bombay Stock Exchange. The Company is engaged in business of trading of Shoe Leather.

NOTE `2' . 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 recognized and expenses accounted for on accrual (including for committed obligations), in accordance with the accounting standard prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. Insurance and other claims are accounted for, as and when admitted by the appropriate authorities.

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

F. Recognition of Incomes:

- a) Revenues/Incomes are generally accounted on accrual, as they are earned.
- b) Sale of goods is recognized on transfer of property in goods or on transfer of significant risks and reward of ownership to the buyer, which is generally on dispatch of goods.

G. Contingencies and Events occurring after the date of Balance Sheet

- a) Accounting for contingencies (gains and losses) arising out of contractual obligations are made only on the basis of mutual acceptance.
- b) Where material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

H. 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 is adjusted in the respective account.

I. Prior Period Items

Prior Period and Extra Ordinary items and Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately along with the amount by which any item in the financial statements is affected by such change wherever same is available

J. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

K. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

L. Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue

NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE `3' SHARE CAPITAL				
-Authorized				
60,00,000 Equity Shares of Rs. 10/- each		60,000,000		60,000,000
[Previous Year : 60,00,000 Equity Shares of Rs.10/- each]				
-Issued, Subscribed and Paid up				
44,41,300 Equity Shares of Rs.10/- each fully paid-up.	44,413,000		44,413,000	
[Previous Year : 44,41,300 Equity Shares of Rs.10/- each]				
Less : Allotment Money Due	430,500		430,500	
		43,982,500		43,982,500
-List of Share holders having 5% or more Shares (In Nos)				
Name Of Shareholders	In Nos	In %	In Nos	In %
Kayum Razak Dhanani	1,999,900	45.03	1,813,700	40.84
Pavit G Amin	350,000	7.88	250,000	5.63
Aries Hotels Private Limited	-	-	250,000	5.63
Aalishan Computer System Private Limited	250,000	5.63	250,000	5.63
Prolific Engineers Private Limited	250,000	5.63	250,000	5.63
Sushobhan Furnitures Private Limited	250,000	5.63	250,000	5.63
NOTE `4' RESERVES AND SURPLUS				
Profit and Loss Account				
Opening Balance	(125,465,042)		(142,311,938)	
Add: Profit (Loss) for the year	-		16,846,896	
Add: Excess Provision for Tax	5,011		-	
Closing Balance		(125,460,031)		(125,465,042)
Subsidy		2,500,000		2,500,000
		(122,960,031)		(122,965,042)
NOTE `5' LONG TERM BORROWINGS				
-Secured Loan From Related Party				
From Sara Suole Private Limited		92,186,000		92,186,000
(Secured by way of execution of an Agreement to Create Mortgage and Charge by the Company in favour of the lender)				
- Unsecured				
Loans and Advances from Related Parties				
From Directors	-		8,941,064	
- Kayum Dhanani				
From Body Corporates	16,304,158		16,304,159	
Loans and Advances from Others				
Sales Tax Deferred Loan	-		8,670,196	
		16,304,158		33,915,419
		108,490,158		126,101,419
NOTE `6' SHORT TERM BORROWINGS				
Buyers Credit from Axis Bank Ltd.		4,031,390		-
(The Buyers'Credit finance is secured by way of pledge of Company's Fixed Deposit Receipt for Rs. 45,00,000/- with Axis Bank Ltd.)				
		4,031,390		-

NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE `7' OTHER CURRENT LIABILITIES		
Creditors for Others	-	15,569,111
Advances from Customers	45,854,070	9,035,451
Statutory Liabilities	1,083,667	-
Creditors for Expenses	<u>767,948</u>	<u>141,652</u>
	47,705,685	24,746,214
	<u>47,705,685</u>	<u>24,746,214</u>
NOTE `8' SHORT TERM PROVISIONS		
Provision for FBT	-	5,011
	<u>-</u>	<u>5,011</u>
NOTE `10' NON-CURRENT INVESTMENTS		
(Unquoted and Non-Trade)		
Equity Shares in Ahilya Hotels Limited	7,696,000	7,696,000
1,92,400 Equity Shares of Rs. 10 each(Issued at Rs.40 Each) fully Paid up.	<u>7,696,000</u>	<u>7,696,000</u>
NOTE `11' DEFERRED TAX ASSET		
Deferred Tax Assets	19,229,039	21,191,671
Add:- Deferred Tax Asset for the Year	<u>-</u>	<u>1,962,632</u>
Deferred Tax Assets (Net)	19,229,039	19,229,039
NOTE `12' INVENTORIES		
Trading Goods	<u>18,403,206</u>	<u>24,706,923</u>
	<u>18,403,206</u>	<u>24,706,923</u>
NOTE `13' TRADE RECEIVABLES		
Below Six Months		
Good (unsecured)	<u>1,736,241</u>	<u>4,059,240</u>
	<u>1,736,241</u>	<u>4,059,240</u>
NOTE `14' CASH AND BANK BALANCES		
-Cash and Cash Equivalents		
Cash on Hand	93,722	202,166
Balance with Banks		
-In Current Accounts	<u>2,595,417</u>	<u>1,923,927</u>
	2,689,140	2,126,093
- Other bank balances		
Balances with banks		
- In Fixed Deposits with Axis Bank	4,500,000	-
	<u>7,189,140</u>	<u>2,126,093</u>

NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2013		As at 31.03.2012	
	Rupees	Rupees	Rupees	Rupees
NOTE `15'				
SHORT TERM LOANS AND ADVANCES				
Loans and Advances				
Realted Parties				
Intercompany Deposit		-		10,500,000
Others				
Advances to Suppliers	5,272,982		2,233,839	
Prepaid Expenses	40,527		98,705	
Advances Staff and Others	12,163,655		781,573	
Balance with Statutory Authorities	70,648		55,502	
Other Deposits	309,851		307,850	
		17,857,663		3,477,469
		17,857,663		13,977,469
NOTE `16'				
OTHER CURRENT ASSETS				
Interest Receivable		137,628		-
		137,628		-

NOTES FORMING PART OF ACCOUNTS

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
NOTE `17' REVENUE FROM OPERATION		
<i>Sale of Products</i>		
Domestic Sales (Traded)	206,468,974	227,867,086
	<u>206,468,974</u>	<u>227,867,086</u>
NOTE `18' OTHER INCOME		
Interest Earned	165,218	9,950
Foreign Exchange Fluctuation Gain	-	1,065,747
Profit on Sale of Plant and Machinery	-	70,480
Discount	1,131,503	1,894,693
Misc. Income	15,912	29,793
	<u>1,312,632</u>	<u>3,070,663</u>
NOTE `19' PURCHASES OF STOCK IN TRADE		
Purchase of Trading Materials	187,019,720	203,929,010
Add: Job Work Charges	8,308,740	6,512,852
	<u>195,328,460</u>	<u>210,441,862</u>
NOTE `20' CHANGES IN STOCKS		
Stock at Commencement	24,706,923	35,673,151
Less: Stock at Close	18,403,206	24,706,923
	<u>6,303,717</u>	<u>10,966,228</u>
NOTE `21' EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus etc.	2,596,167	3,205,921
Contribution to P.F, E.S.I and Other Statutory Funds	65,084	84
Workmen and Staff Welfare Expenses	199,532	169,924
	<u>2,860,783</u>	<u>3,375,929</u>
NOTE `22' OTHER EXPENSES		
Legal and Professional Charges (Audit Fees Rs. 50,562/-	787,202	1,798,976
(PY Rs. 21,910/-) for Other Services Rs. 89,888/- (PY Rs.59,833/-)		
Bank Charges	15,473	10,368
Commision and Demarage	26,743	10,000
General Expenses	1,197,469	2,157,025
Repairs and Maintaince	163,350	117,745
Power and Fuel (Factory)	242,038	304,380
Packing and Forwarding Expenses	3,644	1,430
Postage and Telephone Expenses	93,924	96,000
Printing and Stationery	54,565	48,889
Security Expenses	280,152	277,956
Sales Tax Expenses	-	29,992
Travelling and Conveyance Expenses	2,182,856	923,583
Office Expenses	211,103	97,735
Foreign Exchange Fluctuation Loss	190,095	1,530,934
Donation	-	25,000
	<u>5,448,613</u>	<u>7,430,013</u>

NOTE '9'											
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST	ADDI TION S	ADJ /SA LE	TOTAL COST	TOTAL			TOTAL		
S R.	DESCRI PTION	AS ON	DURI NG	DU RIN G	AS AT	AS AT	FOR	ADJ./	AS AT	AS AT	AS AT
N O.	OF ASSET S	01.4.2012	THE YEA R	THE YE AR	31.03.2013	01.4.2012	THE YEAR	RECO UPME NT	31.3.2013	31.03.2013	31.03.2012
	Tangible Assets:										
1	Land and Land Develop ment	1,397,950	-	-	1,397,950	-	-	-	-	1,397,950	1,397,950
2	Buildings	11,640,060	-	-	11,640,060	7,215,327	388,778	-	7,604,105	4,035,955	4,424,733
3	Plant and Machiner y	34,361,514	-	-	34,361,514	31073881	457,309	-	31,531,190	2,830,324	3,287,633
4	Compute rs	107,716	-	-	107,716	43,886	17,461	-	61,347	46,369	63,830
	TOTAL RS.	47,507,240	-	-	47,507,240	38333094	863,548	-	39,196,642	8,310,598	9,174,146
	CWIP	20,135,932	-		20,135,932	-	-	-	-	20,135,932	20,135,932
	Previous Year figures	73234570	1438 6	858 824	72390132	42753498	1105860	779304	43080054	29310078	29310078

NOTES TO FINANCIAL STATEMENTS

- 23** The manufacturing unit at Lamdapura - Manjusar has been closed since May, 2009 and hence the purchase – production – sales activity in respect of the manufacturing unit is no more there. However Company now, has been engaged into trading activity in the same line of business at Chennai.
- 24** 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.
- 25** 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.
- 26** 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.
- 27** Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force on October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Since the relevant information is not readily available, no disclosures have been made in the Books of Accounts.

28 Value in regard to Closing stock of Finished goods and Traded Goods.

CLASS OF GOODS	<u>2012 – 2013</u>	<u>2011 – 2012</u>
Traded Goods	<u>Rupees</u>	<u>Rupees</u>
Raw Hide	17,960,309	-
Sole Leather	441,098	24,706,923
Wet Blue	1,799	-
Total	18,403,206	24,706,923

29 Value in regards to Purchase and Sales of Traded Goods.

ITEM NAME	PURCHASES DURING THE YEAR	
	<u>2012 – 2013</u>	<u>2011 – 2012</u>
Camel Wet Blue	272,065	1,304,422
Cow Wet Blue	11,403,167	4,971,353
Goat Wet Blue	3,863,710	7,845,217
Raw Buff	46,025,742	-
Raw Goat	761,696	-
Sheep Wet Blue	5,004,488	11,583,409
Deer Finished Leather	1,527,180	-
Buff Finished Leather	4,165,266	-
Buff Soule Leather	2,656,800	-
Tanning Chemicals	20,144,107	-
Cow Finished Leather	88,110,643	112,203,813
Raw Camel	6,878,380	-
Raw Cow	4,515,217	-
Others	-	72,533,648
Total	195,328,461	210,441,862

NOTES TO FINANCIAL STATEMENTS

SALES DURING THE YEAR

ITEM NAME	2012 – 2013	2011 – 2012
Camel Wet Blue	22,741,274	9,082,985
Cow Wet Blue	16,419,158	12,674,151
Goat Wet Blue	6,521,571	18,649,450
Goat Crust	-	2,565
Goat Pickle E.I	1,549,701	-
Sheep Wet Blue	5,711,150	11,238,238
Cow Soule Leather	-	416,832
Buff Soule Leather	59,676,088	49,245,197
Cow Calf Finished	89,343,724	125,528,511
Buff Finished Leather	4,506,307	921,902
Buff Wet Blue	-	107,255
Total	206,468,973	227,867,086

30. Related party disclosure as per accounting standard 18.**Related Party and its relationship**

A. Directors & Key Management Personnel	1. Kayum R. Dhanani
B. Related Parties	1. Sara Soule Pvt Ltd
	2. Aashika Leather Pvt Ltd
	3. Sayaji Hotels Ltd

Nature of Transactions with Related Parties

Particulars	Related Parties	
	Referred in (A)	Referred in (B)
Sales of Trading Goods :		
Sara Soule Pvt Ltd	-	199,098,509 (193,171,130)
Others :		
Repayment of Unsecured Loan	18,132,620 (9,200,000)	-
Advances given for Land	8,900,000	-
Closing Balances of the related parties		
Name of the Party	Balance As at 31.03.2013	Balance As at 31.03.2012
Sara Soule Pvt Ltd (Receivables) Dr. Balance	-	4,637,231
Sara Soule Pvt Ltd(Secured) Cr. Balance	92,186,000	92,186,000
Sara Soule Pvt Ltd(Unsecured) Cr. Balance	1,583,241	1,583,241
Sara Soule Pvt Ltd(Creditors) Cr. Balance	43,702,824	998,610
Mr. Kayum R Dhanani Cr. Balance	-	8,941,064
Mr. Kayum R Dhanani Dr. Balance	8,900,000	-
Sayaji Hotels Ltd Cr. Balance	11,418,175	11,418,175
Aashika Leather Pvt Ltd Cr. Balance	227,000	227,000

31. Imports and Expenditure in Foreign Currencies.		
	<u>2012 – 2013</u>	<u>2011 – 2012</u>
Raw Leather Purchases at C.I.F value	21,376,274	141,999,698

32 Calculation of Earnings Per Share (Basic - EPS)		
Particulars	<u>2012 – 2013</u>	<u>2011 – 2012</u>
Net Profit available to Equity Share Holders	(3,028,609)	16,846,896
Total Number of Equity Shares	4,441,300	4,441,300
Basic Earnings Per Share (A/B)[Face Value Rs.10/- per Share]	-0.68	3.79

21st ANNUAL GENERAL MEETING
WELTERMAN INTERNATIONAL LIMITED
ATTENDANCE SLIP

Regd. Off.: Plot No. 1135, At & Post- Lamdapura, Lamdapura Road, Tal. Savli, Dist. Vadodara
 21st Annual General Meeting on Saturday, the 28th September, 2013

Regd. Folio No _____ No. of Shares held _____

Mr./Mrs./Mis _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 21ST Annual General Meeting on Saturday, 28 September, 2013 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/authorized representative wishing to attend the meeting must complete this attendance slips 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 _____ Resident of

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

WELTERMAN INTERNATIONAL LIMITED hereby appoint _____
 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 21st ANNUAL GENERAL MEETING OF THE Company to be held on Saturday, the 28th September, 2013 at 12.00 noon and at any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____ 2013.

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.