



# **WELTERMAN INTERNATIONAL LIMITED**

**CIN: L51100GJ1992PLC017613**

## **TWENTY THIRD ANNUAL REPORT**

# **2014-2015**

### **REGD. OFFICE AND FACTORY:**

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

### **CORPORATE OFFICE:**

701,702 Alkapuri Arcade A- Wing Vadodara 390005  
Tele-Fax: (0265) 2310251  
Email: [welterman.baroda52@gmail.com](mailto:welterman.baroda52@gmail.com)  
Website: [www.welterman.com](http://www.welterman.com)

### **TRADING UNIT**

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



## **BOARD OF DIRECTORS**

<b>KAYUM R. DHANANI</b>	DIRECTOR
<b>SHAMIM SHEIKH</b>	DIRECTOR
<b>PAVEET G. AMIN</b>	DIRECTOR
<b>SHAKIL Z. MEMON</b>	DIRECTOR
<b>MIHIR BHATIA</b>	ADDITIONAL INDEPENDENT DIRECTOR
<b>MADHAVI PUNJANI</b>	ADDITIONAL INDEPENDENT DIRECTOR
<b>NARENDRA M. PATEL</b>	CHIEF FINANCIAL OFFICER

## **AUDITORS**

Parikh Shah Chotalia & Associates  
Chartered Accountants -Vadodara.

## **BANKERS**

**HDFC BANK LTD**  
Alkapuri Vadodara

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## **NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of WELTERMAN INTERNATIONAL LIMITED will be held on Thursday, the 24<sup>th</sup> September, 2015 at 11.30 a.m. 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 Financial Statements as at 31st March, 2015 for the year ended alongwith the Report of Auditors' and Directors' thereon.
2. To appoint a Director in place of Ms. Shamim Sheikh , who retires by rotation and being eligible offers herself for appointment.
3. To ratify appointment of M/s Parikh Shah & Chotalia, Chartered Accountants as Statutory Auditors' upto the conclusion of 26<sup>th</sup> Annual General Meeting as approved by the members at their 22<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014 and fix their remuneration.

### **SPECIAL BUSINESS:**

#### **4. TO APPOINT MR. MIHIR MUKESH BHATIA AS AN INDEPENDENT DIRECTOR.**

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re- enactment(s) thereof for the time being in force] and Clause 49 of the Listing Agreement, Mr. Mihir Mukesh Bhatia (DIN: **06535259**) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five )consecutive years w.e.f. 30<sup>th</sup> March, 2015.”

#### **5. TO APPOINT MS. MADHAVI HARISH PUNJANI AS AN INDEPENDENT DIRECTOR.**

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-



enactment(s) thereof for the time being in force] and Clause 49 of the Listing Agreement, Ms. Madhavi Harish Punjani (DIN: **07112595**) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years w.e.f. 30<sup>th</sup> March, 2015.”

**FOR AND ON BEHALF OF THE BOARD**

**Place: Vadodara**

**Date: 14<sup>th</sup> August, 2015**

**Director**



## 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. ROXY 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 21<sup>st</sup> SEPTEMBER, 2015 TO 24<sup>th</sup> SEPTEMBER, 2015 (BOTH DAYS INCLUSIVE)
4. A RELATIVE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO.

5. **E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company is pleased to provide E-voting facility through Central Depository Services Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 23<sup>RD</sup> Annual General Meeting of the Company scheduled to be held on 24<sup>th</sup> September, 2015 (the AGM Notice). The Company has appointed Mr. Devesh A. Pathak, Practising Company Secretary or failing him Mr. Vimal N. Betai, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 17.09.2015. The e-voting will commence at 9:00 AM on 21.09.2015 and will end at 5.00 p.m. on 23.09.2015. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

### PROCEDURE FOR E- VOTING

- A. Instructions for Demat folios:  
In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):
- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the "WELTERMAN INTERNATIONAL LIMITED" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- V) Next enter the Image Verification as displayed and Click on Login.
- (VI) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (VII) If you are a first time user, follow the steps given below

	For members holding shares in Demat Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department and registered with the DP/RTA. In respect of physical shareholding as well as those holding shares in Demat form and have not provided or whose PAN is not registered, enter your unique PAN/Default Value No. is printed address sticker posted on the backside of the annual report.
<b>DOB/Dividend Bank Details*</b>	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the dividend bank detail as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter Folio No. of shares held by you as on the cutoff date i.e. 17 <sup>TH</sup> September,2015.

\*Any one of the details DOB or Dividend bank details should be entered for logging in to the account.

- (VIII) After entering these details appropriately, click on "SUBMIT" tab.
- (IX) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (X) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (XI) **Click on the 150818035 (EVSN) for the relevant < Welterman International Limited > on which you choose to vote.**
- (XII) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (XIII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



(XIV) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(XV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(XVI) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(XVII) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

(A) Please follow all steps from sr. no. (i) to sr. no. (xvii) above to cast vote.

**(B) The voting period begins on 21.09.2015, 9.00 a.m. and ends on 23.09.2015, 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



C. Other Instructions:

- i. **The e-voting period commences on Monday, 21<sup>st</sup> September, 2015 ( 9.00 a.m. IST) and ends on Wednesday, 23<sup>rd</sup> September, 2015 ( 5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 17<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.**
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 17.09.2015.
- iii. Mr. Devesh A. Pathak, Practising Company Secretary (Membership No. FCS 4559), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot at the meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- v. **The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.welterman.com](http://www.welterman.com) and on the website of CDSL [www.evoting.cdsi.com](http://www.evoting.cdsi.com) within two days of the passing of the resolutions at the 23<sup>RD</sup> AGM of the Company on 24<sup>th</sup> September, 2015 and communicated to the stock exchanges, where the shares of the Company are listed.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item no. 4**

Your Directors appointed Mr. Mihir Mukesh Bhatia as an Additional (Independent) Director of the Company with effect from 30<sup>th</sup> March, 2015 pursuant to Section 161(1) of the Companies Act, 2013 ('the Act') to hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mihir Mukesh Bhatia for



the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. A person satisfying the criteria of independence under Section 149 of the Act may be appointed as an independent director for holding office for a term up to 5(five) consecutive years on the Board of a Company and he shall not be liable to retire by rotation. The Company has received a declaration from Mr. Mihir Mukesh Bhatia to the effect that he meets with the criteria of independence as prescribed both under sub- section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. He possesses appropriate skills, experience and knowledge, inter alia, in the field of finance. In the opinion of the Board, he fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement and is independent of the management.

Mr. Mihir Bhatia is a Graduate(B.Com) with rich experience of 7 years in the field of Real Estate Developer. Keeping in view, his vast expertise and knowledge, it will be in the interest of the Company that he is appointed as an Independent Director. Copy of the draft letter for appointment of Mr. Mihir Mukesh Bhatia as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Your Directors recommend and seek your approval to the resolution as appearing in item no.4 of the accompanying notice by way of Ordinary Resolution.

Except Mr. Mihir Mukesh Bhatia and his relatives, no other Directors / Key Managerial Personnel of the Company / their relatives, in any way, shall be deemed to be concerned or interested, financially or otherwise, in the resolution.

#### **Item No. 5**

Your Directors appointed Ms. Madhavi Harish Punjani as an Additional (Independent) Director of the Company with effect from 30<sup>th</sup> March, 2015 pursuant to Section 161(1) of the Companies Act,2013('the Act') to hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Madhavi Harish Punjani for the office of Director of the Company. She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. A person satisfying the criteria of independence under Section 149 of the Act may be appointed as an independent director for holding office for a term up to 5(five) consecutive years on the Board of a Company and she shall not be liable to retire by rotation. The Company has received a declaration from Ms. Madhavi Harish Punjani to the effect that she meets with the criteria of independence as prescribed both under sub- section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. She possesses appropriate skills, experience and knowledge, inter alia, in the field of finance. In the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement and is independent of the management.



Ms. Madhavi Punjani is MBA(finance) with rich experience of around 15 years in the field of Finance. Keeping in view, her vast expertise and knowledge, it will be in the interest of the Company that she is appointed as an Independent Director. Copy of the draft letter for appointment of Ms. Madhavi Harish Punjani as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Your Directors recommend and seek your approval to the resolution as appearing in item no.5 of the accompanying notice by way of Ordinary Resolution.

Except Ms. Madhavi Harish Punjani and her relatives, no other Directors / Key Managerial Personnel of the Company or their relatives, in any way, shall be deemed to be concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend and seek your approval to the resolution as set out in item No.6 of the accompanying Notice by way of Special resolution.

Neither any of the Director/ Key Managerial Personnel of the Company nor any of their relative(s) shall be deemed to be concerned or interested financially or otherwise in the resolution.

**Place: Vadodara**  
**Date: 14<sup>th</sup> August, 2015**

**FOR AND ON BEHALF OF THE BOARD**

**Director**



## **BOARDS' REPORT**

To,  
The Members of  
Welterman International Limited

Your Directors have pleasure in presenting the Board's Report of your Company together with the Financial Statements of your Company for the financial year ended, 31st March, 2015.

### **1. FINANCIAL RESULTS & WORKING RESULTS**

Particulars	2014-2015 Rs.(In Lacs)	2013-2014 Rs.(In Lacs)
<b>PROFIT / (LOSS) BEFORE DEPRECIATION , TAX</b>	<b>(59,71,726)</b>	(97,93,540)
(Less): Depreciation	<b>(3,59,076)</b>	(15,17,127)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(63,30,802)</b>	82,76,413
TAX EXPENSES: (Less) : Deferred Tax	<b>NIL</b>	NIL
<b>NET PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS</b>	<b>(63,30,802)</b>	82,76,413
<b>Add/ (Less) Exceptional items</b>	<b>(1,94,61,635)</b>	Nil
<b>NET PROFIT/ (LOSS) FOR THE YEAR</b>	<b>(2,57,92,437)</b>	82,76,413
<b>Add/ (Less): Balance Brought Forward</b>	<b>(12,02,07,133)</b>	(12,84,83,546)
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>(14,59,99,571)</b>	(12,02,07,133)

Net loss of Rs. 2,57,92,437 during the year under review as against net profit of Rs. 82,76,413 is mainly attributable to exceptional items in respect of writing off pre-operative expenses of Rs. 17985932 as well as fixed assets of Rs. 14,75,704.

### **DIVIDEND**

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

### **SHARE CAPITAL**

The paid up equity capital as on March 31, 2015 was Rs. 439.83 lacs consisting of 44.41 lacs Equity Shares of Rs.10/- each. During the year under review, the Company has neither bought back nor issued any equity shares either by way of Bonus, Right, Stock Options, Sweat Equity, with differential rights or otherwise.

### **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

The Company does not have any Subsidiary, Joint venture or Associate Company.



#### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed Dividend, the Company was not required to transfer any amount to Investor Education & Protection Fund during the year under review. Hence, the provisions of Section 125 of the Companies Act, 2013 ('the Act') do not apply.

#### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statements relate and the date of this report.

#### **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return as required under section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information as per **Annexure-1**.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2014-15, 5 meetings of the Board of Directors of the Company were held on 24<sup>th</sup> April, 2014, 30<sup>th</sup> May, 2014, 14<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 14<sup>th</sup> February, 2015.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



### **AUDITOR'S REPORT**

M/s Parikh Shah Chotalia & Associates, Chartered Accountants, Vadodara were appointed as Statutory Auditors to hold office upto the conclusion of 26<sup>th</sup> Annual general Meeting by the Members of the Company at their Annual General Meeting held on 29<sup>th</sup> September, 2014. The Company has received requisite certificate and consent from them. You are requested to ratify their appointment.

There are no qualifications or adverse remarks in the Auditors' Report. The Notes on financial statements are self-explanatory and need no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

### **LOANS, GUARANTEES AND INVESTMENTS**

The company has not given any guarantees or securities covered under the provisions of section 186 of the Act. However, the aggregate of loans and advances granted as also investments are within the limits of Section 186 of the Act.

### **RELATED PARTY TRANSACTIONS**

The Company has entered into transactions with Sara Suole Private Limited, a related party in the ordinary course of business on arms length basis as detailed in AOC-2 as per **Annexure-2**.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

#### **(A) Conservation of energy and Technology absorption**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished since the Company has been carrying out only trading activities.

#### **(B) Foreign exchange earnings and Outgo**

There was no foreign exchange earnings during the year under review. However, total foreign exchange expenditure during the year under review was Rs. 15,05,58,204.

### **RISK MANAGEMENT**

The Company is engaged in formulation of Risk Management Policy.

### **DIRECTORS AND KMP**

During the current financial year the following changes have occurred in the constitution of directors and KMP of the company:



S.No	Name	Designation	Date of appointment	Date of resignation
1.	<b>Biji Paul</b>	<b>Director</b>	<b>24/04/2014</b>	<b>Resignation</b>
2.	<b>Shakilbhai Zakaria Memon</b>	<b>Director &amp; CEO</b>	<b>24/04/2014*</b>	<b>-</b>
3.	<b>Mihir Mukesh Bhatia</b>	<b>Additional Independent Director</b>	<b>30/03/2015</b>	<b>-</b>
4.	<b>Ms. Madhavi Harish Punjani</b>	<b>Additional Independent Director</b>	<b>30/03/2015</b>	<b>-</b>
5.	<b>Mr. Narendra M. Patel</b>	<b>CFO</b>	<b>30/03/2015</b>	<b>-</b>

\* Earlier appointed as an independent director and subsequently appointed as CEO w.e.f 30.03.2015.

Mr. Kayum Razak Dhanani has resigned from the Directorship of the Company w.e.f. 15<sup>th</sup> April, 2015. Your Directors have placed on record appreciation for valuable services rendered by Mr. Kayum Dhanani and Mr. Biji Paul. Your Directors have appointed Mr. Shakilbhai Memon as CEO w.e.f. 30<sup>th</sup> March, 2015 and accordingly he is no more independent director.

#### **DEPOSITS**

The company has not accepted any deposits during the year.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not fall in the criteria of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence the Company is not required to comply with the provisions of Sec. 135 of the Act.

#### **RATIO OF REMUNERATION TO EACH DIRECTOR**

Presently no remuneration is being paid to any director. Hence, the Company has no information to offer pursuant to Section 196, 197 read with Schedule V of the Act.

#### **ANNUAL EVALUATION**

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.



**CORPORATE GOVERNANCE REPORT**

In view of paid up equity capital and Net Worth of the Company being lesser than Rs. 10 Crores and Rs. 25 Crores respectively, Clause 49 of the Listing Agreement is not mandatorily applicable in terms of circular no. CIR/CFD/POLICYCELL/7/2014 dtd. 15.09.2014 and accordingly, Corporate Governance Report is not included in the Annual Report.

**DEREGISTRATION AS A SICK COMPANY**

The Company is deregistered as a sick company in terms of order dtd 2<sup>nd</sup> July, 2014 of BIFR and accordingly, the Company is no more sick company.

**INDEPENDENT DIRECTORS AND DECLARATION**

Mr. Mihir Mukesh Bhatia and Ms. Madhavi Harish Punjani have been appointed as the independent directors of the company as per Section 149(10) of the Companies Act, 2013 for a term of 5 consecutive years on the Board of the Company.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

**NOMINATION AND REMUNERATION COMMITTEE**

The Company's Nomination and Remuneration Committee is comprised of 3 Members pursuant to Section 178 of the Act. The Board has accepted the recommendations of the Nomination and Remuneration Committee. The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
<b>Mr. Kayum Dhanani</b>	<b>Member*</b>	<b>Promoter Non Executive Director</b>
<b>Mr. Shakilbhai Memon</b>	<b>Member</b>	<b>Independent Director (w.e.f. 14.04.2014) Executive Director (w.e.f. 30.03.2015)</b>
<b>Mr. Paveet Amin</b>	<b>Member</b>	<b>Non Executive Independent Director</b>
<b>Ms. Shamim Sheikh</b>	<b>Member</b>	<b>Promoter Non Executive Director</b>
<b>Mr. Mihir M. Bhatia</b>	<b>Member</b>	<b>Independent Non Executive Director(w.e.f. 30.03.2015)</b>
<b>Ms. Madhavi H. Punjani</b>	<b>Member</b>	<b>Independent Non Executive Director(w.e.f. 30.03.2015)</b>

\*Mr. Kayum Dhanani has resigned with effect from 15<sup>th</sup> April, 2015.



**REMUNERATION POLICY**

Presently no remuneration is being paid to any director. Hence, the Company has no information to offer pursuant to Section 196, 197 read with Schedule V of the Act.

**AUDIT COMMITTEE**

The Company's Audit Committee is comprised of 3 Members. The Board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
<b>Mr. Kayum Dhanani</b>	<b>Member*</b>	<b>Promoter Non Executive Director</b>
<b>Mr. Shakilbhai Memon</b>	<b>Member</b>	<b>Independent Director (w.e.f. 14.04.2014) Executive Director (w.e.f. 30.03.2015)</b>
<b>Mr. Paveet Amin</b>	<b>Member</b>	<b>Non Executive Independent Director</b>
<b>Ms. Shamim Sheikh</b>	<b>Member</b>	<b>Promoter Non Executive Director</b>
<b>Mr. Mihir M. Bhatia</b>	<b>Member</b>	<b>Independent Non Executive Director(w.e.f. 30.03.2015)</b>
<b>Ms. Madhavi H. Punjani</b>	<b>Member</b>	<b>Independent Non Executive Director(w.e.f. 30.03.2015)</b>

\*Mr. Kayum Dhanani has resigned with effect from 15<sup>th</sup> April, 2015.

**SECRETARIAL AUDIT REPORT**

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

Further the Secretarial Audit Report **as provided by M/s Devesh Vimal & Co., Practicing Company Secretaries** for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information. **(Annexure: 3)**

**COST AUDIT**

There is no requirement for Cost Audit as the Company does not fulfill the criteria for the same.

**VIGIL MECHANISM**

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, the Company has been engaged in formulation of Vigil Mechanism for



directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee.

**ORDER OF COURT**

No significant or material order was passed by any regulator, court or tribunal impacting the going concern status or Company's operations in future during year under review.

**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.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Net Loss of the Company during the financial year is Rs. 257.92 lacs.

**PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to new SEBI ( Prohibition & Insider Trading ) Regulation 2015 in place of SEBI (Prohibition & Insider Trading ) Regulation 1992 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The summary if sexual harassment complaints received and disposed off during the financial year 2014-2015 is as under:

- Number of Complaints Received : NIL
- Number of Complaints Disposed off : NIL



**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management have been given appropriate training in this regard.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In view of no mandatory applicability of Clause 49 of the Listing Agreement with the Stock Exchanges in India, Management Discussion & Analysis Report as stipulated under Clause 49 of the Listing Agreement is not included.

**ACKNOWLEDGEMENT**

The Company thanks all of its Stakeholders, including inter alia Suppliers, Vendors, Investors and Bankers and to all its customers for their consistent, abiding support throughout the year.

Your Company also records its appreciation for the contributions made by employees at all levels. Their commitment, cooperation and support are indeed the backbone of all endeavors of the Company.

The Company would like to acknowledge its gratitude for Government and other government agencies for the support; the Company has been receiving over the years and is looking forward to their continued support/guidance in times to come.

**For & on behalf of the Board of Directors  
Welterman International Limited**

**Date: 14<sup>th</sup> August, 2015**

**Place: Vadodara**

**Shakil Zakaria Memon  
DIN : 00118152  
(Director & CEO)**

**Paveet Amin  
DIN 3570893  
(Director)**



**ANNEXURE- 1 TO THE BOARDS REPORT**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31-03-2015**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- *L51100GJ1992PLC017613*
- ii) Registration Date *13/05/1992*
- iii) Name of the Company: *WELTERMAN INTERNATIONAL LIMITED*
- iv) Category / Sub-Category of the Company: *Company limited by shares*
- v) Address of the Registered office and contact details: *PLOT NO 1135 AT & POST - LAMDAPURA, LAMDAPURA ROAD TA- SAVLI DIST- VADODARA, GUJARAT.*
- vi) Whether listed company *Yes / No*
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
**LINK INTIME INDIA PRIVATE Limited (Formerly: Intime Spectrum Registry Ltd)**  
 B- 102 & 103, Shangrila Complex,  
 First Floor, Opp. HDFC Bank,  
 Near Radhakrishna Char Rasta, Akota,  
 Vadodara- 390020 (Gujarat) India

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Footwear	1520	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY COMPANIES – N.A.**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	-	-	-	-	-


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1999800	800	2000600	45.05%	1999800	800	2000600	45.05%	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	13100	13100	0.29%	-	13100	13100	0.29%	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	1999800	13900	2013700	45.34%	1999800	13900	2013700	45.34%	NIL
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	1999800	13900	2013700	45.34%	1999800	13900	2013700	45.34%	NIL
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	1999800	13900	2013700	45.34%	1999800	13900	2013700	45.34%	NIL
<b>B. Public Shareholding</b>									
1. Institutions	-	60000	60000	1.35%	-	60000	60000	1.35%	NIL
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	60000	60000	1.35%	-	60000	60000	1.35%	NIL



2.Non-Institutions									
a) Bodies Corp.	167700	781800	949500	21.38%	169100	781800	950900	21.41%	
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	55800	819900	875700	19.72%	65900	808500	874400	19.69%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	360500	150700	511200	11.51%	360500	150700	511200	11.51%	
c) Others (specify)	200	31000	31200	0.70%	800	30300	31100	0.70%	
<b>Sub-total (B)(2):-</b>	<b>584200</b>	<b>1783400</b>	<b>2367600</b>	<b>53.31%</b>	<b>596300</b>	<b>1771300</b>	<b>2367600</b>	<b>53.31%</b>	
Total Public Shareholding (B) = (B)(1) + (B)(2)	584200	1843400	2427600	54.66%	596300	1831300	2427600	54.66%	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2584000	18557300	4441300	100 %	2596100	1845200	4441300	100 %	


**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Kayum Razak Dhanani	19,99,800	45.03	-	19,99,900	45.03	-	-
2.	Shamimbanu R Dhanani	100	0.00*	-	100	0.00	-	-
3.	Sajid Dhanani	100	0.00*	-	100	0.00	-	-
4.	Rafiqunisha M Merchant	100	0.00*	-	100	0.00	-	-
5.	Rabaibai R Dhanani	100	0.00*	-	100	0.00	-	-
6.	Nasimbanu R Dhanani	100	0.00*	-	100	0.00	-	-
7.	Kayum Dhanani	100	0.00*	-	100	0.00	-	-
8.	Jamilabanu R Dhanani	100	0.00*	-	100	0.00	-	-
9.	Gulshanbanu I Memon	100	0.00*	-	100	0.00	-	-
10.	Sayaji Airways Ltd	7500	0.17	-	7500	0.17	-	-
11.	Liberty Construction & Leasing Pvt Ltd	5600	0.13	-	5600	0.13	-	-
		2013700	45.34	-	2013700	45.34	-	-

\* negligible

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) – No Change**

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Share Holder	As On 01.04.2014	%	As On 31.03.2015	%
1	<b>SUSHOBHAN FURNITURES PRIVATE LIMITED</b>	250000	5.629	250000	5.629
2	<b>PROLIFIC ENGINEERS PRIVATE LIMITED</b>	250000	5.629	250000	5.629
3	<b>AALISHAN COMPUTER SYSTEM PVT. LTD.</b>	250000	5.629	250000	5.629
4	<b>3 A CAPITAL SERVICES LTD</b>	166200	3.7421	166200	3.7421
5	<b>SONA YADAV</b>	150700	3.39	150700	3.39
6	<b>PUNJAB NATIONAL BANK</b>	60000	1.351	60000	1.351
7	<b>SONA YADAV</b>	35000	0.7881	35000	0.7881
8	<b>BHARAT EQUITY SERVICES LIMITED</b>	17200	0.3873	17200	0.3873
9	<b>SONAL JIGNESH TALATI</b>	10500	0.2364	10500	0.2364
10	<b>SAYAJI AIRWAYS LIMITED</b>	7500	0.1689	7500	0.1689

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.		Shareholding at the beginning of the year		Shareholding at the ending of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP No. of shares				
	At the beginning of the year				
1.	Kayum Dhanani	19,99,900	45.03	19,99,900	45.03
2.	Paveet Amin	3,50,000	7.88	3,50,000	7.88
3.	Shamim Shaikh	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) : sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year				
1.	Kayum Dhanani	19,99,900	45.03	19,99,900	45.03
2.	Paveet Amin	3,50,000	7.88	3,50,000	7.88
3.	Shamim Shaikh	100	0.00	100	0.00

\* negligible


**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	92186000	16304158	-	108490158
<b>Total (i+ii+iii)</b>	92186000	16304158	-	108490158
Change in Indebtedness during the financial year				
• Addition	-	14199261	-	14199261
• Reduction	-	-	-	-
Net Change	-	14199261	-	14199261
Indebtedness at the end of the financial year				
i) Principal Amount	92186000	30503419	-	122689419
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	92186000	30503419	-	122689419

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL N.A.**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Total Amount	
	Independent Directors	-	-
	<ul style="list-style-type: none"> <li>• Fee for attending Board/ Board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-
	Total (1)	-	-
	4. Other Non-Executive Directors		-
	<ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-
	Total (2)	-	-
	Total (B) = (1 + 2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-



**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>		<b>N.A</b>			
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>		<b>N.A</b>			
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>		<b>N.A</b>			
Penalty					
Punishment					
Compounding					

**FOR AND ON BEHALF OF THE BOARD**

**Date: 14<sup>th</sup> August, 2015**  
**Place: Vadodara**

**DIRECTOR**



**ANNEXURE- 2 TO THE BOARDS REPORT**  
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. N.A.

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	
b.	Nature of contracts/arrangements/transaction	
c.	Duration of the contracts/arrangements/transaction	
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions'	
f.	Date of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Sara Suole Pvt . Ltd.-
b.	Nature of contracts/arrangements/transaction	Sale of Material
c.	Duration of the contracts/arrangements/transaction	N.A.
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	163659342.82
e.	Date of approval by the Board	30/05/2015
f.	Amount paid as advances, if any	N.A.

**For & on behalf of the Board of Directors**  
**Welterman International Limited**

**Date: 14<sup>th</sup> August, 2015**  
**Place: Vadodara**

**Shakil Zakaria Memon**  
**DIN : 00118152**  
**(Director & CEO)**

**Paveet Amin**  
**DIN 3570893**  
**(Director)**



**ANNEXURE- 3 TO THE BOARDS REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Welterman International Limited  
PLOT NO 1135 AT & POST-LAMDAPURA,  
LAMDAPURA ROAD  
TA- SAVLI DIST- VADODARA,  
GUJARAT.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Welterman International Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Welterman International Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Further, we confirm that as per representation of management letter there are no laws specifically applicable to the Company considering its product, process or location. We have also examined compliance with the applicable clauses of the following:(
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) Since the Company has not issued any securities during the period under review:
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), guidelines, 1999
  - The Securities and Exchange board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the period under review.

- (b) In view of neither delisting of Equity Shares nor buy back of any security of the Company,



- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998

were not applicable during the period under review,

- (c) Secretarial Standards issued by the Institute Of Company Secretaries of India were not mandatorily applicable during the period under review.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company was in the process of identifying the suitable candidate for the post of Company Secretary and on the date of this report, the Company has already appointed Company Secretary..

**We further report that** the Company is in the process of getting itself registered with National Securities Depository Limited(NSDL).

**For Devesh Vimal & Co.  
Practising Company Secretaries**

Date: 14.08.2015

Place: Vadodara

**CS Devesh A. Pathak  
Partner  
FCS: 4559  
CP No. 2306**

**Note:** This report is to be read with our letter of event date which is enclosed as per Annexure forming integral part of this report.



To,  
The Members,  
Welterman International Limited  
PLOT NO 1135 AT & POST-LAMDAPURA,  
LAMDAPURA ROAD TA- SAVLI  
DIST- VADODARA, GUJARAT

Ref: Secretarial Audit Report pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriated to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Devesh Vimal & Co.**  
Practising Company Secretaries

**CS Devesh A. Pathak**  
Partner  
M No. 4559



## **INDEPENDENT AUDITORS' REPORT**

To,  
**THE MEMBERS,  
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, 2015**, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. 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 auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

### **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, 2015;
- (b) In the case of the Profit and Loss Statement, of the loss for the year ended on that date.
- (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, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and the Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

**For PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 118493W**

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

**VADODARA, 20<sup>th</sup> May, 2015**



**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 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.***

**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) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to any party covered u/s 189 of the Companies Act, 2013, during the year under report.



**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. 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 73 to 76 of the Companies Act 2013 and Rules made there under and also the directives of Reserve Bank of India apply.

**vi. Cost Records**

In our opinion and according to the information and explanations given to us, the maintenance of cost records pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013, do not apply to the Company.

**vii. 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, Value Added Tax, Sales tax, Excise 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.
- b) There is no dispute for payment of any statutory due under any act as mentioned in the point above.
- c) Dividend amounting to Rs. 73,804 /- for the F.Y. 1995-96 has not been transferred to Investor Education and Protection Fund within its due date.

**viii. Accumulated Losses / Cash Losses**

As at 31<sup>st</sup> March, 2015, 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 there was no cash loss in the preceding financial year.

**ix. Default in payments of dues**

On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.



**x. Provision of Guarantee**

According to the information and explanations given to us, Company's immovable properties have been mortgaged for securing the credit facilities granted to Sara Soule Pvt. Ltd. by its bankers.

**xi. Term Loans**

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

**xii. 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**

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

**VADODARA, 20<sup>th</sup> May, 2015**

**BALANCE SHEET**

	Note No.	AS AT 31.03.2015		AS AT 31.03.2014	
		Rupees	Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	3	4,39,82,500		4,39,82,500	
(b) Reserves and Surplus	4	<u>(14,34,99,571)</u>	<u>(9,95,17,071)</u>	<u>(11,77,07,133)</u>	<u>(7,37,24,633)</u>
<b>2 Non- current liabilities</b>					
Long-Term Borrowings	5	<u>12,11,44,158</u>	<u>12,11,44,158</u>	<u>10,84,90,158</u>	10,84,90,158
<b>3 Current Liabilities</b>					
(a) Short-Term Borrowings	6	15,45,261		-	
(b) Trade Payables		30,47,49,906		8,37,41,443	
(c) Other Current Liabilities	7	<u>3,93,41,322</u>	<u>7,13,61,489</u>	<u>36,52,959</u>	8,73,94,402
<b>TOTAL</b>			<u><u>9,29,88,576</u></u>		<u><u>12,21,59,927</u></u>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Fixed Assets	8				
(i) Tangible Assets		55,81,250		66,69,699	
(ii) Capital Work-in-Progress		-		2,01,35,932	
(b) Non-Current Investments	9	76,96,000		76,96,000	
(c) Deferred Tax Assets (Net)	10	<u>1,92,29,039</u>	<u>3,25,06,289</u>	<u>1,92,29,039</u>	5,37,30,670
<b>2. Current Assets</b>					
(a) Inventories	11	82,26,643		46,837,282	
(b) Trade Receivables	12	1,08,63,418		1,843,953	
(c) Cash and Bank Balances	13	78,83,554		648,181	
(d) Short-Term Loans and Adv.	14	<u>3,35,08,672</u>	<u>6,04,82,287</u>	<u>1,90,99,842</u>	6,84,29,257
<b>TOTAL</b>			<u><u>9,29,88,576</u></u>		<u><u>12,21,59,927</u></u>

Significant accounting policies 1-2  
Other Notes 22-35  
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

For and on behalf of the Board of Directors

(D. P. SHAH) (Mem. No.30454)  
PARTNER  
VADODARA, 20TH MAY, 2015

(SHAKIL Z. MEMON) (PAVEET G. AMIN)  
DIRECTOR DIRECTOR  
VADODARA, 20TH MAY, 2015

(N.M. PATEL)  
(CFO)

**PROFIT AND LOSS STATEMENT**

PARTICULARS	Note No.	FOR THE YEAR ENDED	FOR THE YEAR ENDED
		31.03.2015	31.03.2014
		Rupees	Rupees
<b>I Revenue from Operations:</b>	15	<b>18,47,63,272</b>	34,20,13,165
<b>II Other Income</b>	16	<b>6,28,747</b>	13,77,256
<b>III Total Revenue (I + II)</b>		<b><u>18,53,92,019</u></b>	<b><u>34,33,90,421</u></b>
<b>IV Expenses</b>			
Purchases of Traded Goods	17	<b>14,42,20,254</b>	35,24,32,109
Changes in inventories of Stock-in-trade	18	<b>3,86,10,639</b>	(2,84,34,075)
Employee Benefits Expenses	19	<b>17,01,802</b>	28,37,145
Depreciation	8	<b>3,59,076</b>	15,17,127
Other Expenses	20	<b>68,31,050</b>	67,61,702
<b>Total Expenses</b>		<b><u>19,17,22,821</u></b>	<b><u>33,51,14,008</u></b>
<b>V Profit/ (Loss) before Exceptional and Extraordinary items and Tax (III-IV)</b>		<b>(63,30,802)</b>	82,76,413
<b>VI Exceptional Items</b>	21	<b>(1,94,61,635)</b>	-
<b>VII Profit (Loss) for the Year (V - VI)</b>		<b><u>(2,57,92,437)</u></b>	<b><u>82,76,413</u></b>
<b>VIII Tax Expense :</b>			
Deferred Tax Asset		-	-
<b>IX Profit (Loss) for the Year (VII - VIII)</b>		<b>(2,57,92,437)</b>	82,76,413
<b>VIII Earnings per Equity Share:</b>			
Basic		<b>(5.81)</b>	1.86
Significant accounting policies	1-2		
Other notes	22-35		
Notes Form an integral of these financial Statement			

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

For and on behalf of the Board of Directors

(D. P. SHAH ) (Mem. No.30454)  
PARTNER  
VADODARA, 20TH MAY, 2015

(SHAKIL Z. MEMON) (PAVEET G. AMIN) (N.M. PATEL)  
DIRECTOR DIRECTOR (CFO)  
VADODARA, 20TH MAY, 2015



## CASH FLOW STATEMENT

PARTICULARS	For the Year ended			
	31 st March 2015		31 st March 2014	
	Amt. Rs.	Amt. Rs.	Amt. Rs.	Amt. Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT(LOSS) BEFORE TAX		(2,57,92,437)		82,76,413
<b>Add:- Adjustments for:</b>				
Depreciation	3,59,076		15,17,127	
Interest received	(2,57,236)		(6,59,393)	
Loss on Sale / on Discardation of Asset	21,270		2,00,617	
Pre-operative Expenses and Fixed Assets Written Off	1,94,61,635		-	
		1,95,84,745		10,58,351
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(62,07,692)		93,34,764
<b>Adjustments for:</b>				
Trade and Other Receivables	(2,34,28,295)		(12,12,263)	
Inventories	3,86,10,639		(2,84,34,075)	
Trade payables and Other Liabilities	(1,75,78,174)	(23,95,830)	1,72,19,458	(1,24,26,881)
<b>CASH GENERATED FROM OPERATIONS</b>		(86,03,522)		(30,92,117)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	-	(86,03,522)	-	(30,92,117)
				-
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(64,290)		(76,845)	
Sale of Fixed Asset	14,46,688		-	
Interest received	2,57,236		6,59,393	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		16,39,634		5,82,548
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short Term Borrowings (repaid) / Accepted	15,45,261		(40,31,390)	
Long Term borrowings Accepted	1,26,54,000		-	
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		1,41,99,261		(4,031,390)
Cash and Cash equivalents as at the beginning of the year	6,48,181			71,89,140
Net Increase/(Decrease) in cash and cash equivalents	72,35,373			(65,40,959)
Cash and Cash equivalents as at the end of the year	78,83,554			6,48,181

As Per Report of even Date attached  
For PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 118493W

For and on behalf of the Board of Directors

(D. P. SHAH) (Mem. No.30454)  
PARTNER  
VADODARA, 20TH MAY, 2015

(SHAKIL Z. MEMON) (PAVEET G. AMIN) (N.M. PATEL)  
DIRECTOR DIRECTOR (CFO)  
VADODARA, 20TH MAY, 2015



## **NOTES TO FINANCIAL STATEMENT**

### **NOTE '1'. BACKGROUND**

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 Lamdapura, 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 II to the Companies Act, 2013.

#### **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**

	AS AT 31.03. 2015		AS AT 31.03.2014	
	Rupees	Rupees	Rupees	Rupees

**NOTE '3'**

**SHARE CAPITAL**

**Authorised**

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, **44,413,000** 44,413,000

(Previous year : 44,41,300 Equity Shares of Rs. 10/ each).

Less : Allotment Money Due 430,500 43,982,500 430,500 43,982,500

**Total** 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	19,99,900	45.03	19,99,900	45.03
Pavit G Amin	3,50,000	7.88	3,50,000	7.88
Aalishan Computer System Private Limited	2,50,000	5.63	2,50,000	5.63
Prolific Engineers Private Limited	2,50,000	5.63	2,50,000	5.63
Sushobhan Furnitures Private Limited	2,50,000	5.63	2,50,000	5.63

**NOTE ' 4 '**

**RESERVES AND SURPLUS**

**Profit and Loss Account**

Opening Balance	(12,02,07,133)	(12,84,83,546)
Add: Profit(Loss) During The Year	(2,57,92,437)	82,76,413
Add: Excess Provision for Tax	—	—
Closing Balance	<u>(14,59,99,571)</u>	<u>(12,02,07,133)</u>

**Subsidy** 25,00,000 25,00,000

**TOTAL** (14,34,99,571) (11,77,07,133)



## NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.2015		AS AT 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE '5'</b>				
<b>LONG TERM BORROWINGS</b>				
<b>-Secured Loan From Related Party</b>				
From Sara Soule Private Limited ( Secured by way of execution of an Agreement to Create Mortgage and Charge by the Company in favour of the lender )		9,21,86,000		9,21,86,000
<b>- Unsecured</b>				
<b>Loans and Advances from Related Parties</b>				
From Body Corporates	2,89,58,158	2,89,58,158	16,304,158	16,304,158
		<u>12,11,44,158</u>		<u>108,490,158</u>
<b>NOTE 6'</b>				
<b>SHORT TERM BORROWINGS</b>				
<b>- Unsecured</b>				
Loans from other Parties		15,45,261		-
		<u>15,45,261</u>		<u>-</u>
<b>NOTE '7'</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Creditors for Others	73,804		15,19,650	
Advances from Customers	3,89,27,826		3,79,425	
Statutory Liabilities	1,024		13,11,677	
Creditors for Expenses	3,38,667	39,341,322	4,42,207	36,52,959
		<u>39,341,322</u>		<u>36,52,959</u>
<b>NOTE '9'</b>				
<b>NON-CURRENT INVESTMENTS</b>				
<b>(Unquoted and Non-Trade)</b>				
Equity Shares in Ahilya Hotels Limited 1,92,400 Equity Shares of Rs. 10 each (Issued at Rs.40 Each) fully Paid up.		76,96,000		76,96,000
		<u>76,96,000</u>		<u>76,96,000</u>
<b>NOTE '10'</b>				
<b>DEFERRED TAX ASSET</b>				
Deferred Tax Assets	1,92,29,039		1,92,29,039	
Add:- Deferred Tax Asset for the Year				
Deferred Tax Assets (Net)	-	1,92,29,039	-	1,92,29,039
		<u>1,92,29,039</u>		<u>1,92,29,039</u>

**SCHEDULES FORMING PART OF ACCOUNTS**
**NOTE '8'**

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		
		Cost As on 01.04.2014 Rupees	Additions During the Year Rupees	Adj./ Sale During the Year Rupees	Total Cost As At 31.03.2015	Total As at 1-4-2014 Rupees	For the Year Rupees	Adj./ Recoupment Rupees	Total As At 31.3.2015 Rupees	As at 31.03.15 Rupees	As at 31-03-14 Rupees
	<b>Tangible Assets:</b>										
1	Land and Land Development	1,397,950	-	-	1,397,950	-	-	-	-	1,397,950	1,397,950
2	Buildings	11,640,060	750,000	-	12,390,060	7,992,883	320,372	-	8,313,255	4,076,805	3,647,177
3	Plant and Machinery	29,268,059	-	29,268,059	-	27,724,396	-	27,224,396	-	-	1,543,663
4	Computers	107,716	64,290	58,280	113,426	78,808	33,245	58,580	53,473	59,953	28,908
5	Vehicle	57,460	-	-	57,460	5,459	5,459	-	10,918	46,542	52,001
	<b>TOTAL RS.</b>	<b>42,471,245</b>	<b>814,290</b>	<b>29,326,639</b>	<b>13,958,896</b>	<b>35,801,546</b>	<b>359,076</b>	<b>27,782,976</b>	<b>8,377,646</b>	<b>5,581,250</b>	<b>6,669,699</b>
	<b>CWIP</b>	<b>20,135,932</b>	<b>-</b>	<b>20,135,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,135,932</b>
	PREVIOUS YEAR FIGURE	47,507,240	-	-	47,507,240	38,333,094	15,17,127	-	39,196,642	8,310,598	9,174,146



## NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.2015		AS AT 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE '11'</b>				
<b>INVENTORIES</b>				
Trading Goods		82,26,643		4,68,37,282
Finished Goods				
		<u>82,26,643</u>		<u>4,68,37,282</u>
<b>NOTE '12'</b>				
<b>TRADE RECEIVABLES</b>				
<i>Unsecured Considered Good:</i>				
<b>Below Six Months</b>		13 28,770		18 43,953
Others		95 34,648		-
		<u>1,08,63,418</u>		<u>18,43,953</u>
<b>NOTE '13'</b>				
<b>CASH AND BANK BALANCES</b>				
<b>-Cash and Cash Equivalents</b>				
Cash on Hand	45,143		40,360	
Balance with Banks				
-In Current Accounts	78,38,411		6,07,821	6,48,181
		<u>78,83,554</u>		<u>6,48,181</u>
<b>NOTE '14'</b>				
<b>SHORT TERM LOANS AND ADVANCES</b>				
<b>Loans and Advances</b>				
<b>Related Parties</b>				
Intercorporate Deposit				10,000
				-
<b>Others</b>				
Advances to Suppliers	1,27,04,163		53,11,591	
Prepaid Expenses	17,230		43,264	
Advances Staff and Others	2,05,88,428		1,25,17,587	
Balance with Statutory Authorities	53,000		7,04,004	
Other Deposits	1,45,851	3,35,08,672	5,13,396	1,90,89,842
		<u>3,35,08,672</u>		<u>1,90,99,842</u>

**NOTES FORMING PART OF ACCOUNTS**

	ForThe Year Ended 31.03.2015		For the year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE '15'</b>				
<b>REVENUE FROM OPERATION</b>				
Domestic Sales (Traded )		<b>18,47,63,272</b>		34,20,13,165
		<u><b>18,47,63,272</b></u>		<u>34,20,13,165</u>
<b>NOTE '16'</b>				
<b>OTHER INCOME</b>				
Interest Earned	<b>2,57,236</b>		6,59,393	
Discount	<b>3,71,305</b>		5,99,822	
Misc. Income	<b>206</b>	<b>6,28,747</b>	1,18,041	13,77,256
		<u><b>6,28,747</b></u>		<u>13,77,256</u>
<b>NOTE '17'</b>				
<b>PURCHASES OF STOCK IN TRADE</b>				
Purchase of Trading Materials	<b>14,19,06,864</b>		34,52,34,622	
Add: Job Work Charges	<b>23,13,390</b>	<b>14,42,20,254</b>	71,97,487	35,24,32,109
		<u><b>14,42,20,254</b></u>		<u>35,24,32,109</u>
<b>NOTE '18'</b>				
<b>CHANGES IN STOCKS</b>				
<b>Stock at Commencement</b>				
Stock-in-trade		<b>46,837,282</b>		1,84,03,207
<b>Less: Stock at Close</b>				
Stock-in-trade		<b>82,26,643</b>		4,68,37,282
		<u><b>3,86,10,639</b></u>		<u>(2,84,34,075)</u>
<b>NOTE '19'</b>				
<b>EMPLOYEE BENEFIT EXPENSES</b>				
Salaries, Wages, Bonus etc.	<b>16,57,461</b>		25,91,983	
Contribution to P.F, E.S.I and Other Statutory Funds	<b>147</b>		84	
Workmen and Staff Welfare Expenses	<b>44,194</b>	<b>17,01,802</b>	2,45,078	28,37,145
		<u><b>17,01,802</b></u>		<u>28,37,145</u>

**NOTES FORMING PART OF ACCOUNTS**

	ForThe Year Ended 31.03.2015		For the year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE '20'</b>				
<b>OTHER EXPENSES</b>				
Legal and Professional Charges ( Audit Fees Rs. 50,562/- ( PY Rs. 50,562/-) for Other Services Rs. 89,888/- ( PY Rs.89,888/-))	<b>6,35,560</b>		4,47,554	
Bank Charges	<b>9,890</b>		36,162	
Commission and Demurrage	<b>14,000</b>		61,485	
General Expenses	<b>4,02,010</b>		7,19,900	
Repairs and Maintenance	<b>1,99,378</b>		1,83,540	
Power and Fuel (Factory)	<b>2,66,832</b>		2,43,322	
Packing and Forwarding Expenses	<b>5,200</b>		6,576	
Postage and Telephone Expenses	<b>97,348</b>		97,586	
Printing and Stationery	<b>65,474</b>		57,548	
Security Expenses	<b>2,22,638</b>		2,32,719	
Travelling and Conveyance Expenses	<b>4,00,671</b>		20,28,797	
Office Expenses	<b>78,593</b>		585,349	
Loss on Sale of Machinery	<b>21,270</b>		200,617	
Sales Promotion Exp.	<b>36,14,475</b>		18,60,547	
Debit Balance Written Off	<b>7,97,711</b>	<b>68,31,050</b>	-	6,761,702
		<b>68,31,050</b>		<b>67,61,702</b>
<b>NOTE '21'</b>				
<b>EXCEPTIONAL ITEMS</b>				
Pre-operative Expenses written off	<b>(1,79,85,931)</b>		-	-
Fixed Asset written off	<b>(14,75,704)</b>	<b>(1,94,61,635)</b>	-	-
		<b>(1,94,61,635)</b>		-



## **NOTES TO FINANCIAL STATEMENTS**

**22** 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. Similar trading activity has started at Vadodara from June, 2014.

**23** 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. No provision for Income tax has been made in view of heavy brought forward business losses and depreciation both as per the Income Tax Act and also as per the books of account.

**24** 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.

**25** The Company has yet to comply provisions of Section 203 of the Companies Act 2013 in respect of appointment of Company Secretary and provisions of Section 125 of the Companies Act, 2013 in respect of payment of Dividend for the year 1995-96. However a Practicing Company Secretary has been appointed as a retainer.

**26** 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, disclosure could not be made.

**27** Pre operative expenses Rs. 1,79,85,932/- pending allocation over fixed assets since F.Y. 1996-97 were not written off though the acquisition of Fixed Assets did not materialise then, as the Company was sick and was under the monitoring of BIFR. Since the Company is no more a sick company now, the said long drawn expenditure has been written off and has been placed under exceptional items in the Profit and Loss Account.

**28** The Company was registered as "sick company" by the Board for Industrial and Financial Reconstruction vide its order dated 07.04.2000 and vide its order dated 02.07.2014, the Company has been now de-registered as "sick company" being no more required and as such Company is no more a sick company.

**29** The Company's immovable properties have been mortgaged for securing the credit facilities granted to Sara Soule P. Ltd by its bankers.

**30** On account of change in the mode of charging depreciation in the books of accounts, brought in by the Companies Act, 2013, the cost of certain Plant and Machinery has been reduced by Rs. 2,90,79,767/- and correspondingly the accumulated loss of the Company has been increased as at 1.4.2014. The residual value of such Plant and Machinery Rs. 14,75,704/- has been written off and placed under exceptional items under the Profit and Loss account as their useful life has expired.

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

CLASS OF GOODS	<u>2014 - 2015</u>	<u>2013 - 2014</u>
<b>Traded Goods</b>	<b>Rupees</b>	<b>Rupees</b>
Raw Hide	-	92,28,542
Sole Leather	-	6,03,808
Wet Blue	<b>82,26,643</b>	3,70,04,932
<b>Total</b>	<b>82,26,643</b>	46,837,282

**32 Value in regards to Purchase and Sales of Traded Goods. (FIGURE IN RUPEES)**

ITEM NAME	PURCHASES DURING THE YEAR	
	<u>2014- 2015</u>	<u>2013- 2014</u>
Camel Wet Blue	-	1,78,69,868
Cow Wet Blue	<b>8,73,58,239</b>	4,73,23,030
Goat Wet Blue	<b>1,67,25,612</b>	1,56,70,215
Raw Buff	-	3,40,07,898
Raw Goat	-	1,40,43,884
Sheep Wet Blue	<b>3,49,82,782</b>	3,44,85,947
Deer Finished Leather	-	27,93,824
Buff Finished Leather	-	83,99,210
Buff Soule Leather	-	17,56,869
Tanning Chemicals	<b>51,53,621</b>	2,54,75,319
Cow Finished Leather	-	14,01,89,594
Raw Camel	-	15,27,198
Buff Wet Blue	-	2,64,549
Raw Sheep	-	78,14,904
<b>Total</b>	<b>14,42,20,254</b>	35,16,22,309



ITEM NAME	SALES DURING THE YEAR	
	2014- 2015	2013- 2014
Camel Wet Blue	13,600	93,31,122
Cow Wet Blue	81,62,476	5,14,24,903
Goat Wet Blue	82,20,000	2,76,73,499
Goat Pickle E.I	-	29,18,868
Sheep Wet Blue	2,00,08,764	3,50,21,375
Buff Soule Leather	-	6,39.28,525
Cow Calf Finished	11,15,72,334	14,47,31,591
Buff Finished Leather	31,55,558	61,73,274
Buff Wet Blue	1,79,70,179	8,10,008
Tanned Bark Soul	5,67,361	-
Lamb Wet Blue	1,50,93,000	-
<b>Total</b>	<b>18,47,63,272</b>	<b>34,20,13,165</b>

**33 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

**Nature of Transactions with Related Parties**

Particulars	Related Parties	
	Referred in (A)	Referred in (B)
<b>Sales of Trading Goods :</b>		
Sara Soule Pvt Ltd	-	<b>18,47,63,272</b>
<b>Others :</b>		
Loans and Advances received	<b>89,00,500</b>	-

**Closing Balances of the related parties (Amt in Rs.)**

Name of the Party		Balance As at 31.03.2015	Balance As at 31.03.2014
Sara Soule Pvt Ltd(Secured)	Cr. Balance	<b>92,186,000</b>	92,186,000
Sara Soule Pvt Ltd(Unsecured)	Cr. Balance	<b>1,583,241</b>	1,583,241
Sara Soule Pvt Ltd(Creditors)	Cr. Balance	<b>38,927,826</b>	2,476,943
Mr. Sajid R Dhanani	Dr. Balance	<b>2,500,000</b>	2,500,000
Mr. Kayum R Dhanani	Dr. Balance	<b>NIL</b>	8,900,500
Aashika Leather Pvt Ltd	Dr. Balance	<b>227,000</b>	227,000

**34. Imports and Expenditure in Foreign Currencies.**

	<u>2014 – 2015</u> <u>Rupees</u>	<u>2013– 2014</u> <u>Rupees</u>
Raw Leather Purchase at C.I.F value	<b>150,223,946</b>	267,805,173
Foreign Travel Exp.	<b>334,258</b>	818,790

**35. Calculation of Earning Per Share (Basic - EPS)**

Sr.No.	Particulars	<u>2014 - 2015</u>	<u>2013 - 2014</u>
<b>A.</b>	Net Profit available to Equity Share Holders	<b>(25,792,437)</b>	8,276,413
<b>B.</b>	Total Number of Equity Shares	<b>4,441,300</b>	4,441,300
<b>C.</b>	Basic Earning Per Share (A/B) [ Face Value Rs.10/- per Share ]	<b>(5.81)</b>	1.86

As per our report of even date attached

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.118493W

**For and on behalf of the Board of Directors**

**(D. P. SHAH) (Mem. No.30454)**  
**PARTNER**  
**VADODARA, 20TH MAY, 2015**

**(SHAKIL Z. MEMON) (PAVEET G. AMIN) (N.M. PATEL)**  
**DIRECTOR DIRECTOR DIRECTOR**  
**(CFO)**  
**VADODARA, 20TH MAY, 2015**



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**WELTERMAN INTERNATIONAL LIMITED**

Regd. Off. : Plot No. 1135, At & Post-Lamdapura, Lamdapura Road, Tal. Savli, Dist. Vadodara  
**Form No. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L51100GJ1992PLC017613

Name of the company: **Welterman International Limited**

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

Name of the member (s): _____
Registered address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DP ID: _____

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: ....., or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: ....., or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Thursday, the 24<sup>th</sup> September, 2015 at 11:30 a.m at Plot No. 1135, Lamdapura Road, At & Post: Lamdapura, Tal. Savli, Dist: Vadodara-391775, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No. Resolutions**

**Ordinary Business**

- Adoption of Financial Statements
- Reappointment of Ms. Shamim Sheikh as a Retiring Director
- Ratification of appointment of Statutory Auditors and fixation of their remuneration.

**Special Business**

- Special Resolution for Appointment of Mr. Mihir Mukesh Bhatia as an Independent Director.
- Special Resolution for Appointment of Ms. Madhavi Harish Punjani as an Independent Director.

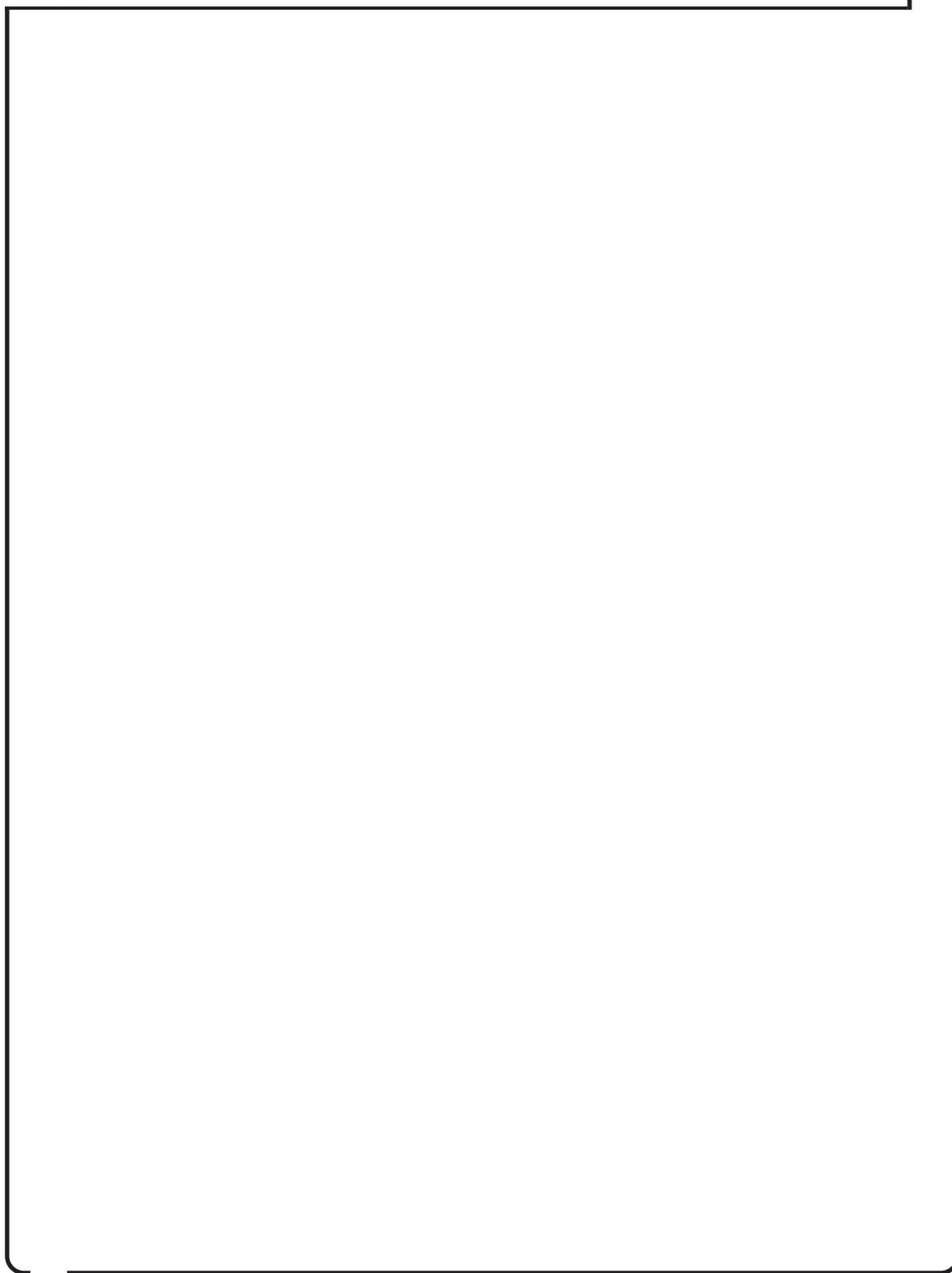
Signed this..... day of..... 20....

Signature of shareholder

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





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