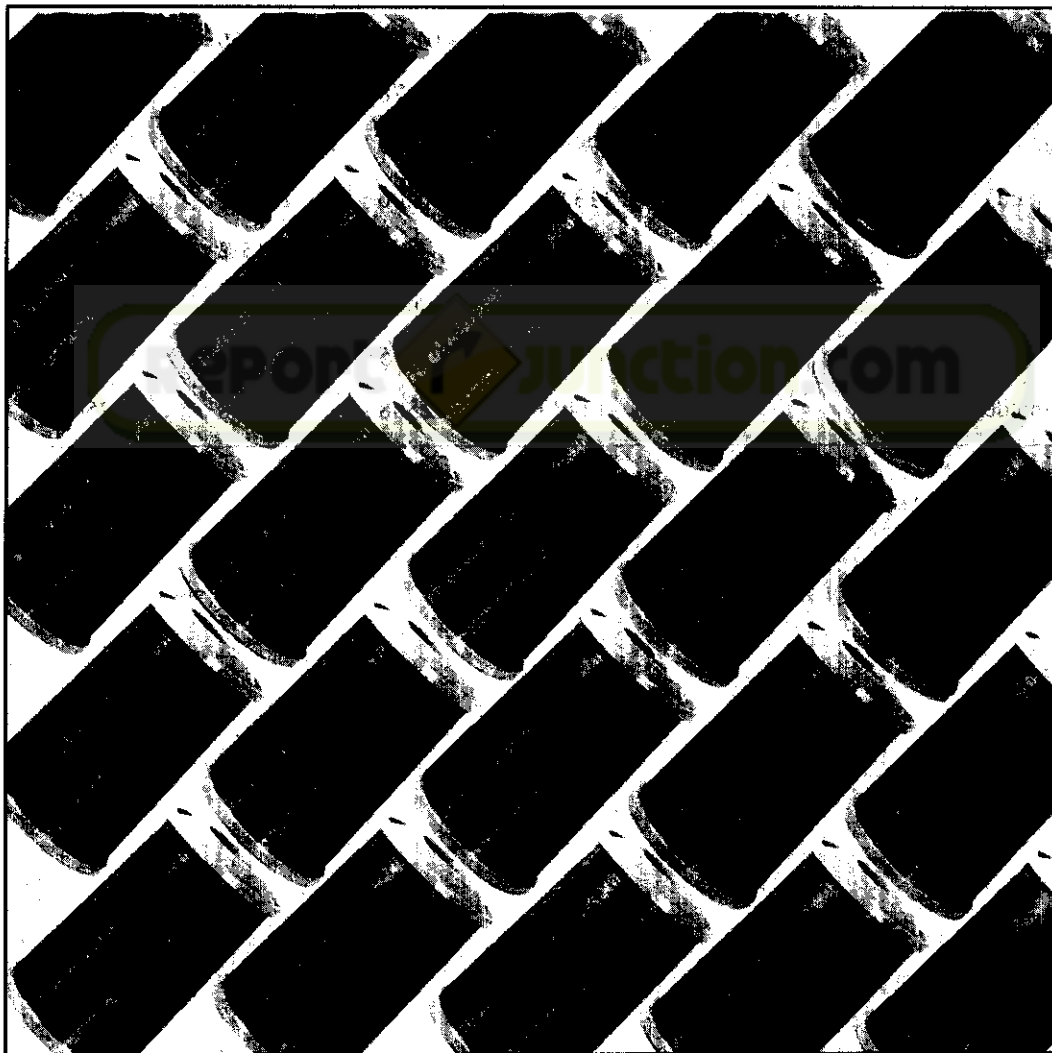


# Annual Report 1998-99



**PRECISION WIRES INDIA LIMITED**

**PRECISION WIRES INDIA LTD.****Financial High Lights**

		Rupees in Lakhs				
		1998/99	1997/98	1996/97	1995/96	1994/95
Equity Share Capital (Paid up)		485.22	485.22	485.22	485.22	485.22
Reserves & Surplus		1507.89	1245.36	1046.49	813.58	483.31
Current Assets		1588.39	1427.64	2240.13	2156.23	1136.27
Current Liabilities		1097.43	948.77	1462.92	1226.11	568.46
Inventories		437.67	349.46	601.95	667.31	369.75
Sundry Debtors		903.34	890.09	366.95	1106.23	542.26
Creditors		736.69	642.49	1134.62	826.94	403.72
Secured Loans		212.24	401.61	953.66	1385.30	947.61
Interest Paid		68.67	134.78	234.11	227.07	169.83
Depreciation		99.95	98.39	94.15	90.21	70.55
Income Tax paid		113.69	71.06	106.81	90.00	85.00
Dividend paid %	%	17%*	15%	15%	15%	12%
Book Value of Shares	Rs.	41.08	35.67	31.57	26.76	20.00
E.P.S.	Rs.	7.30	5.75	6.30	8.31	7.98
No. of Shareholders		12489	12508	12208	12540	14148

\* Proposed





## PRECISION WIRES INDIA LTD.

### BOARD OF DIRECTORS :

Mr. Mahendra R. Mehta	—	<i>Chairman</i>
Mr. Milan M. Mehta	—	<i>Vice Chairman and Managing Director</i>
Mr. P.N. Vencatesan		
Mr. Vijay M. Crishna		
Mr. K.N. Shenoy		
Mr. A.P. Kothari		
Mr. P.R. Merchant		
Mr. J.V. Mathew	—	<i>Nominee of I.D.B.I.</i>
Mr. Deepak M. Mehta		

**COMPANY SECRETARY :** Mr. S.G. Sathe

**BANKERS :** Dena Bank (Industrial Finance Branch), Mumbai

**AUDITORS :** S.R. Divatia & Co., Chartered Accountants, Mumbai.

### REGISTERED OFFICE :

Saiman House, J.A. Raul Street,  
Off Sayani Road, Prabhadevi,  
Mumbai - 400 025.

### ADMINISTRATIVE OFFICE AND WORKS :

Amli Hanuman (66KVA) Road,  
Silvassa - 396 230  
(Union Territory of Dadra and Nagar Haveli)

### REGISTRARS AND TRANSFER AGENTS :

Karvy Consultants Ltd.,  
46, Avenue 4, Street No. 1,  
Banjara Hills,  
Hyderabad - 500 034

The Company's Equity Shares are listed on the following Stock Exchanges :

Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 023.

National Stock Exchange of India Ltd.,  
Trade World, Kamala Mill Compound,  
2nd Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.

The Ahmedabad Stock Exchange,  
Kamdhenu Complex, Opp. Sahajanand  
College, Panjarapole, Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.,  
3 & 4/4B, Asaf Ali Road,  
New Delhi - 110 002



## **PRECISION WIRES INDIA LTD.**

### **NOTICE TO MEMBERS**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Precision Wires India Limited will be held at the Hall of Dr. M Visvesaraya Smarak Mandir, Mogul Lane, Near Matunga (Western Railway) Station, Mumbai - 400 016 on Friday, July the 23rd, 1999 at 3.00 p.m. to transact the following business :

1. To receive, consider and adopt the Report of the Directors, the Report of the Auditors, Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Mahendra R. Mehta who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Deepak M. Mehta who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Shri Ashwinkumar Pannalal Kothari, who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 28th October, 1998, pursuant to Article 113 of the Articles of Association of the Company and who holds office upto the date of the 10th Annual General Meeting by reason of Section 260 of the Companies Act, 1956, and is eligible for re-appointment and in respect of whom the company has received a notice in writing alongwith a deposit of Rs. 500/- (Rupees Five Hundred Only) from a member proposing his candidature for the office of Director.
6. To appoint a Director in place of Shri Pratapbhai Ratilal Merchant, who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 28th October, 1998, pursuant to Article 113 of the Articles of Association of the Company and who holds office upto the date of the 10th Annual General Meeting by reason of section 260 of the Companies Act, 1956, and is eligible for re-appointment and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs. 500/- (Rupees Five Hundred only) from a member proposing his candidature for the office of Director.
7. To appoint S.R. Divatia & Co., Chartered Accountants, as the Auditors of the Company and to fix their remuneration.
8. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

“RESOLVED THAT further to and in modification of the resolution passed by the Company in its Extraordinary General Meeting held on 23rd March, 1996, appointing Mr. Milan M. Mehta as Managing Director of the Company for a period of five years with effect from 1st April, 1996, on the terms and conditions as set out therein and as contained in the appointment letter dated 23rd March, 1996 the Company hereby approves, within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, and subject to such sanctions, if any, as may be necessary in law, of the revision in the salary of Mr. Milan M. Mehta, from Rs. 40,000/- (Rupees Forty Thousand only) per month to Rs. 100,000/- (Rupees One Lakh only) per month, with effect from 1st April, 1999, for the remaining period of his current tenure of office as Managing Director, that is, from 1st April, 1999 upto 31st March, 2001.

#### **RESOLVED FURTHER THAT**

##### **(i) the words**

- “(a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing Director will be subject to a ceiling of sixty percent of salary over and above ten percent payable by the Managing Director.
- (b) In case the accommodations is owned by the Company ten percent of the salary of the Managing Director shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in housing (1) above”

appearing in clause 3 of the appointment letter dated 23rd March, 1996 be deleted and that subject to such sanctions, if any, as may be necessary in law, the said clause 3 stands modified with effect from 1st April, 1999 as follows:-

“The Managing Director shall be entitled to rent free furnished residential accommodation. In case no residential accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors”.

##### **(ii) the last paragraph**



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"The above remuneration by way of salary, perquisites and other allowances not exceeding ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month shall also be paid to Mr. Milan M. Mehta in the event of loss or inadequacy of profits in any financial year during the aforesaid period in addition to the perquisites not exceeding the limits specified under section II of part II of schedule XIII to the Companies Act, 1956".

appearing in clause 4 of the said appointment letter dated 23rd March, 1996 be modified with effect from 1st April, 1999, subject to such sanctions, if any, as may be necessary in law, as follows:

"The above remuneration by way of salary, perquisites and other allowances not exceeding ceiling limit of Rs. 10,50,000/- (Rupees Ten Lakhs Fifty Thousand only) per annum or Rs. 87,500/- (Rupees Eighty Seven Thousand Five Hundred only) per month and in addition the perquisites not exceeding the limits specified under section II of part II of schedule XIII to the Companies Act, 1956" shall be paid to Mr. Milan M. Mehta in the event of loss or inadequacy of profits in any financial year during the aforesaid period.

(iii) the following be inserted with effect from 1st April, 1999 as sub clause viii under clause 5 in the said appointment letter dated 23rd March, 1996

"(viii) Either party shall be entitled to terminate this appointment by giving to the other party ninety (90) days' notice in writing without showing any cause".

RESOLVED FURTHER THAT subject to such sanctions, if any, as may be necessary in law, the aforesaid remuneration, terms and conditions duly revised/modified as set out in the draft supplemental appointment letter submitted to this meeting and for identification signed by the Chairman, and the supplemental appointment letter be and are hereby specifically sanctioned with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and/or appointment letter in such manner as may be agreed to between the Board of Directors and Mr. Milan M. Mehta and the Board of Directors of the Company be and is hereby authorised to take such steps as are expedient or desirable to give effect to this resolution.

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

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended in the following manner:

(a) The following new Article 22A be inserted after present Article 22:

Company to recognise interest  
in securities other than that of  
Registered holder under  
Depositories Act, 1996

22A Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form as the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof."

(b) The following words be deleted from Article 135 "without prejudice to and subject to the provisions of Article 134"

(c) The words appearing in Article 138(b) "The Board shall appoint a Chief Executive and/or Managing Director" shall be deleted and in place thereof the following words be inserted:- "The Board shall appoint a Chief Executive whether called Executive Chairman, Managing Director or by any other designation."

(d) The following sentence appearing at the end of Article 143 be deleted. "Notwithstanding anything contained in this Article there shall not be quorum, unless at least two (2) Directors appointed under Article 134 are present."



## ***PRECISION WIRES INDIA LTD.***

- (e) The present Article 147 be substituted by the following Article:

147. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman or Vice Chairman appointed by virtue of these Articles or the Director presiding at such meetings) shall have a second or casting vote.

- (f) The following sentence appearing at the end of the Article 151 be deleted. "Provided that no such Resolution shall be deemed to have been passed unless it includes the positive vote of at least one Director appointed under Article 134."

### **By Order of the Board**

**S.G. Sathe**

*Company Secretary*

### **Registered Office:**

Saiman House, J.A. Raul Street,  
Sayani Road, Prabhadevi,  
Mumbai - 400 025.

21st May, 1999

### **Notes :**

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 ("the Act") in respect of items 5, 6, 8 and 9 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.
3. In accordance with the provisions of Section 205A of the Act, the Company has transferred unclaimed dividend relating to the year ended 31st March, 1995 to the general Revenue Account of the Central Government. Members who have a valid claim to the unclaimed dividend referred to above may claim the same from the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd floor, Kalachowki, Mumbai - 400 033 in the prescribed manner.
4. The Register of Members and the transfer books of the Company will remain closed from 12th July, 1999 to 23rd July, 1999 (both days inclusive).
5. The dividend on the equity shares when declared will be payable on or after 2nd August, 1999 to those members, whose names appear in the register of members on 23rd July, 1999 or to their mandatees subject to the provisions of Section 206(A) of the Act.
6. Members are requested to advise, indicating their Folio Number, the change of their addresses, if any, to Messrs Karvy Consultants Ltd., 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034, the registrar and share transfer agents of the Company.
7. In order to provide protection against fraudulent encashment of dividend warrants, the members were requested by the Company to provide their bank account number, name and address of the bank branch to enable the Company to incorporate the said details in the dividend warrants. Members are again requested to provide the aforesaid details, quoting their folio numbers so as to reach the Registrars & Transfer Agents of the Company, on or before 12th July, 1999, to enable them to incorporate the same in the dividend warrants. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.



## ANNEXURE TO NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956.

### Item No. 5

Shri Ashwinkumar Pannalal Kothari was appointed as an Additional Director on 28th October, 1998, by the Board of Directors of the Company.

Pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article 113 of the Articles of Association of the Company, Shri Kothari will hold office as a Director only upto the date of the 10th Annual General Meeting of the Company.

A notice in writing alongwith a deposit of Rs. 500/- (Rupees Five Hundred only) under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Shri Kothari as a candidate for the office of Director.

Shri Kothari is a technocrat from MIT (USA). He is associated with chemical industry and non-ferrous metal trade and has over 30 years experience in business and industry. He is also a Director on the Boards of various Public Companies. The Board considers it desirable that the Company should continue to receive the benefit of his advice as a Director of the Company.

The appointment of Shri Kothari as a Director of the Company is commended for approval by the members.

Shri Kothari is concerned or interested in the resolution at this item of the accompanying notice as it relates to his own appointment.

### Item No. 6

Shri Pratapbhai Ratilal Merchant was appointed as an Additional Director on 28th October, 1998, by the Board of Directors of the Company.

Pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article 113 of the Article of Association of the Company, Shri Merchant will hold office as a Director only upto the date of the 10th Annual General Meeting of the Company.

A notice in writing alongwith a deposit of Rs. 500/- (Rupees Five Hundred Only) under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Shri Merchant as a candidate for the office of Director.

Shri Merchant is a highly experienced banker and has retired as an Executive Director of Bank of Baroda. The Board considers it desirable that the Company should continue to receive the benefit of his advice as a Director of the Company.

The appointment of Shri Merchant as a Director of the Company is commended for approval by the members.

Shri Merchant is concerned or interested in the resolution at this item of the accompanying notice as it relates to his own appointment.

### Item No. 8

Considering the increase of responsibilities in the Company and the level of emoluments in other similar Companies, the Board of Directors at its meeting held on 21st May, 1999 subject to the approval of the members at a General Meeting, increased the salary of Shri Milan M. Mehta from Rs. 40,000/- (Rupees Forty Thousand only) per month to Rs. 100,000/- (Rupees One Lakh only) per month, with effect from 1st April, 1999, for the residual period of his current tenure of office as Managing Director, that is, from 1st April 1999 to 31st March, 2001.

The Board of Directors also propose to modify the clause 3 of the appointment letter dated 23rd March, 1996 by deleting (a) a ceiling of sixty percent of the salary over and above ten percent payable by the Managing Director on the expenditure on housing for the Managing Director, (b) deduction of ten percent of the salary of the Managing Director in case accommodation is owned by the Company and (c) ceiling on rent allowance in case no accommodation is provided to the Managing Director by the Company and in place thereof allowing to the Managing Director rent free furnished residential accommodation and in case no accommodation is provided by the Company the payment of house rent allowance as may be approved by the Board.