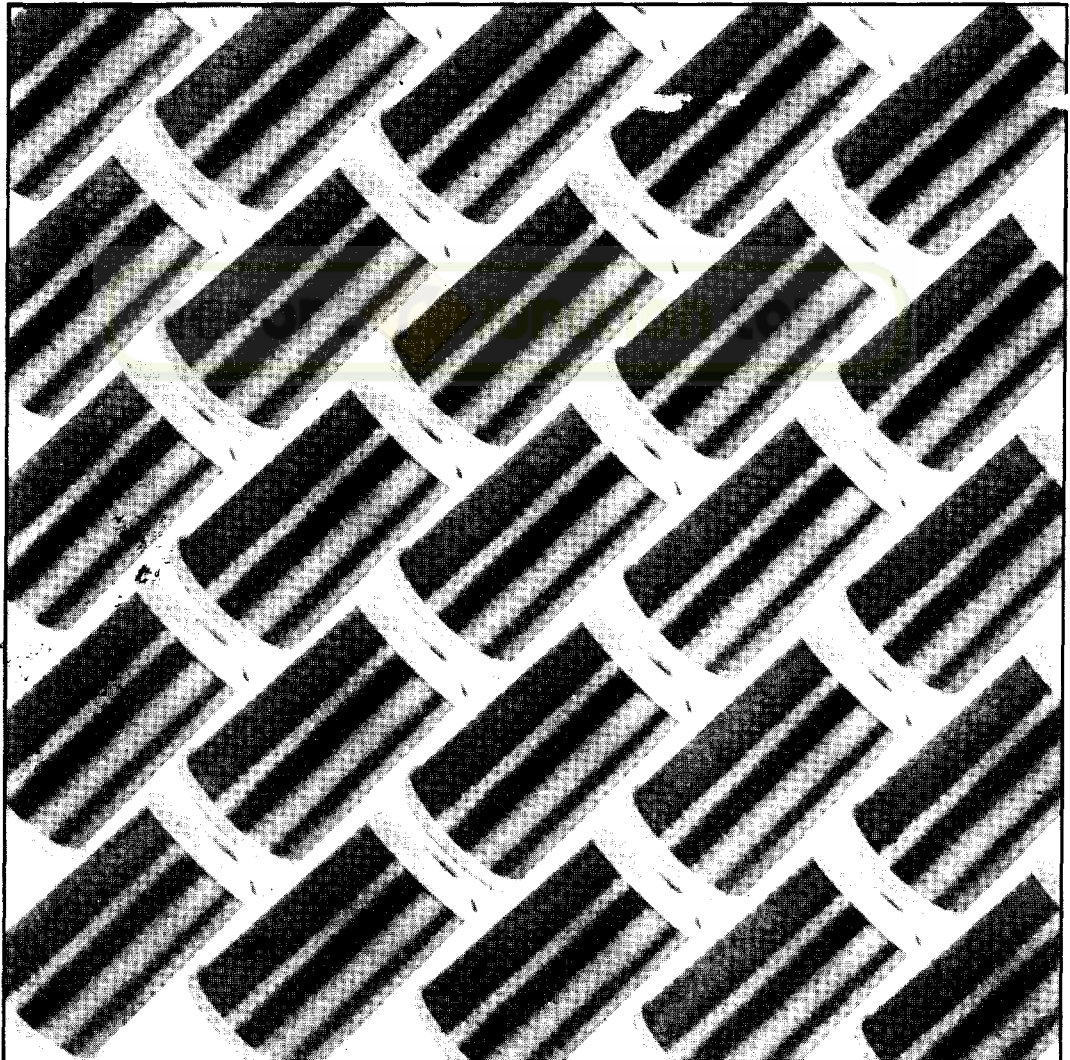


16th  
Annual Report  
2004-2005



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

**Financial Highlights**

	2004/05	2003/04	2002/03	2001/02	@2000/01
Equity Share Capital (Paid up)	1046.36	1046.36	1046.36	1046.36	1046.36
Reserves & Surplus	7347.02	6336.41	5416.43	4651.37	4620.72
Provision for Deferred Tax for the year - Liability/(Assets)	55.63	(7.63)	110.76	97.30	-
Current Assets	10980.90	7855.33	6663.48	6037.27	5227.21
Current Liabilities	6595.64	4338.43	3658.54	3182.86	3018.01
Inventories	2026.87	1829.82	1742.37	1258.21	1126.65
Sundry Debtors	5855.99	4554.57	3408.22	3335.15	3054.75
Creditors	6341.06	4,108.51	3339.01	3154.69	2802.95
Secured Loans	1144.08	810.00	645.15	815.41	955.81
Interest Paid	91.10	63.25	89.10	180.42	125.84
Depreciation	460.51	367.26	326.97	308.01	243.96
Income Tax	676.03	484.29	465.54	269.46	296.67
Dividend paid	% 34	30	25	17	17
Book Value of Shares	Rs. 80.08	70.32	61.43	54.01	53.86
E.P.S.	Rs. 14.64	12.18	10.13	8.05	9.19
No. of Shareholders	**8857	**9889	**11041	**11338	11455

\*\* Approximate

@ Figures for the year 2000/01 and subsequent thereto are after amalgamation.



## PRECISION WIRES INDIA LIMITED

### BOARD OF DIRECTORS :

- |                       |                                       |
|-----------------------|---------------------------------------|
| Mr. Mahendra R. Mehta | - Chairman and Managing Director      |
| Mr. Milan M. Mehta    | - Vice Chairman and Managing Director |
| Mr. Deepak M. Mehta   | - Whole time Director                 |
| Mr. P. N. Vencatesan* |                                       |
| Mr. Vijay M. Crishna* |                                       |
| Mr. A. P. Kothari*    |                                       |
| Mr. P. R. Merchant*   |                                       |

\* Independent & Non-Executive Directors.

**COMPANY SECRETARY :** Mr. Sanjaya R. Kunder

**BANKERS :** Bank of Baroda, Palej 392 220, Dist. Bharuch

**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 :

**UNIT I:**  
Plot Survey No. 125/2  
Amlī Hanuman (66KVA) Road,  
Silvassa - 396 230.  
(Union Territory of Dadra and Nagar Haveli)

### PALEJ UNIT: ATLAS WIRES

Plot No. 3, G.I.D.C.  
N.H. No. 8, Palej 392 220  
Dist. Bharuch (Gujarat)

### UNIT II: ATLAS WIRES

Amlī Hanuman (66KVA) Road,  
Silvassa 396 230  
(Union Territory of Dadra & Nagar Haveli)

### UNIT III :

Plot Survey No. 125/2,  
Amlī Hanuman (66KVA) Road,  
Silvassa-396 230  
(Union Territory of Dadra & Nagar Haveli)

### REGISTRAR AND TRANSFER AGENTS:

Sharepro Services (India) Private Limited  
Satam Estate 3<sup>rd</sup> floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala,  
Andheri (East), Mumbai 400 099. Tel No. 022-28215168/28329828

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

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

National Stock Exchange of India Ltd.,  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051.

**NOTICE TO MEMBERS**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Precision Wires India Limited will be held at, the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393, Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai-400 019 on Thursday, the 28<sup>th</sup> July,2005 at 10.00 A.M to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To confirm the payment of Interim dividend and to declare a Final dividend on Equity Shares.
- 3) To appoint a Director in place of Shri P.N. Vencatesan who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Vijay M. Crishna who retires by rotation and is eligible for reappointment.
- 5) To appoint S R Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.
- 6) To consider and if thought fit, to pass with or without modifications the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges, the Board of Directors of the Company be and is hereby authorized to fix and pay the Sitting Fees for attending the Meetings of Board of Directors and/or Committee(s) thereof to the Non-Executive Directors (including Independent Directors) within the limits as prescribed by the Central Government under the provisions of Section 310 of the Companies Act, 1956 as amended from time to time"

By order of the Board

Sanjaya R. Kunder  
Company Secretary

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

Mumbai,  
10<sup>th</sup> June 2005.

**Notes :-**

- 1) An Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of business under Item No. 6 and relevant details in respect of Item Nos. 3 and 4 pursuant to Clause 49 of the Listing Agreements are 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 OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> July, 2005 to 28<sup>th</sup> July,2005 (both days inclusive).
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Satam Estate, 3<sup>rd</sup> floor, above Bank of Baroda, Cardinal Gracious Road, Andheri (East), Mumbai-400 099, the Registrar and Share Transfer Agents of the Company.
- 5) The Final Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 8<sup>th</sup> August, 2005.
- 6) Members are requested to note that Dividends not encashed or remaining unclaimed within a period of seven years from the date of transfer to the Company's Un Paid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended 31.03.1996

and 31.03.1997 have been transferred to IEPF of the Central Government.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	*Proposed date for transfer to IEP fund
31.03.1998	22-09-98	21-09-05	21-10-05
31.03.1999	23-07-99	22-07-06	21-08-06
31.03.2000	04-04-00 (Interim)	03-04-07	03-05-07
	23-09-00	22-09-07	22-10-07
31.03.2001	26-09-01	25-09-08	25-10-08
31.03.2002	24-01-02 (Interim)	23-01-09	22-02-09
31.03.2003	22-09-03	21-09-10	21-10-10
31.03.2004	23.01.04 (Interim)	22.01.11	22.02.11
	19.08.04	18.08.11	18.09.11
31.03.2005	27.01.05 (Interim)	26.01.12	26.02.12

\* Indicative dates, actual dates may vary.

Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31<sup>st</sup> March, 1998 or any subsequent financial years are requested to send their claims to the Company's Registered Office immediately. It may also be noted that once unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

**NOTICE TO MEMBERS**

Details of the Directors seeking Appointment/reappointment at the ensuing Annual General Meeting. (in pursuance of clause 49 of the listing agreements).

<b>NAME OF THE DIRECTOR</b>	<b>Shri P.N. Vencatesan</b>	<b>Shri Vijay M. Crishna</b>
<b>DATE OF BIRTH &amp; AGE</b>	18.08.1926 AGE: 79 YEARS	08.03.1945, AGE: 60 YEARS
<b>DATE OF APPOINTMENT</b>	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting.	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting
<b>EXPERTISE IN SPECIFIC FUNCTION</b>	Renewed Management consultant	Expertise in Engineering and I.T. Industry and extensive managerial experience.
<b>QUALIFICATIONS</b>	Chartered Accountant	B.A (Economics)
<b>LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31<sup>ST</sup> MARCH 2005</b>	a) Rane (Madras) Ltd b) Kristeel-Shinwa Industries Ltd c) Siro Plast Ltd d) VENC Management Consultants P.Ltd e) ETAL Management System Pvt. Ltd. f) Consilium Private Ltd.	(a) Godrej Upstream Ltd (b) Statomat Special Machines (India) Pvt. Ltd. (c) Lawkim Ltd. (d) Godrej & Boyce Mfg. Co.Ltd. (e) Godrej Industries Ltd. (f) Godrej Agrovet Ltd. (g) Godrej Hicare Ltd (h) Naoroji Godrej Centre for Plant Research
<b>CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31<sup>ST</sup> MARCH 2005</b>	a) Chairman of Audit Committee of Siro Plast Ltd b) Member of Investor Service Committte of Siro Plast Ltd. c) Member of Audit Committee of Rane (Madras) Ltd	Member — Operations Committee of Godrej & Boyce Mfg. Co. Ltd.

**ANNEXURE TO NOTICE**

**Explanatory statement under Section 173 of the Companies Act, 1956.**

**Item No.6**

The Clause 49 of the Listing Agreements prescribed the Norms of Corporate Governance which has been amended by The Security and Exchange Board of India (SEBI) in respect of Fees/Compensation to Non-Executive Directors which provides that Fees/Compensation can be paid to the Non-Executive Directors (including Independent Directors) only after prior approval of Shareholders in General Meeting.

The Reslution proposed to authorize Board of Directors to fix and pay the Sitting Fees/Compensation within the limits prescribed under the Rule 10 B of the Companies (Central Government's) General Rules & Forms, 1956.

Pursuant to the said Rules your Company can pay up to Rs.20000 by way of Sitting fees to Directors.

At present, the Company is paying to all the Non- Executive Directors of the Company, following Sitting fees for each of the Meeting of the Board of Directors and Committee(s) thereof attended by them.

<b>Meeting</b>	<b>Sitting Fees for each Directors attending each of the Meeting</b>
Board Meeting	Rs.10,000
Audit Committee	Rs. 7,000
Remuneration Committee	Rs. 3,000
Share Transfer and Share holders Grievance Committee	Rs. 1,000

The said Resolution proposed to comply with the said requirement of Clause 49 of the Listing Agreements.

In view of the revised clause 49 of the Listing Agreement, the approval of members is requested for the payment of sitting fees to all the Non- Executive Directors of the Company. The Directors recommend adoption of the Ordinary Resolution at item No. 6.

None of the Directors of the Company except Shri P.N.Vencatesan, Shri Vijay M. Crishna, Shri P.R.Merchant and Shri Ashwir. P. Kothari being Non- Executive Directors may be considered to be concerned or interested in passing the Resolution.

By order of the Board

Sanjaya R. Kunder  
Company Secretary

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

10<sup>th</sup> June 2005.



**DIRECTORS' REPORT**

**TO THE MEMBERS**

The Directors hereby present the Sixteenth Annual Report of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March 2005.

**1. Financial Results**

	(Rupees In Lacs)	
	<u>2004-2005</u>	<u>2003-2004</u>
Sales (including Excise Duty)	32190.34	22734.05
Less : Excise Duty	<u>(4523.38)</u>	<u>(3287.90)</u>
Sales (Net of Excise Duty)	<u>27666.96</u>	<u>19446.15</u>
Operating Profit	2746.92	2077.57
Add: Other Income	68.54	103.88
Profit before Interest, Depreciation & Taxes	2815.46	2181.45
Interest	(91.09)	(63.26)
Depreciation	<u>(460.51)</u>	<u>(367.26)</u>
Profit before Taxes	2263.86	1750.93
Provision for Income Tax	(667.00)	(489.00)
Provision for Wealth Tax	(0.17)	(0.17)
Provision for Deferred Tax	(55.64)	7.63
Prior Years' Tax Adjustments	(9.03)	4.71
Profit after Tax	1532.02	1274.10
Add: Balance brought forward from last Account	174.42	204.45
<b>Balance available :</b>	<b>1706.44</b>	<b>1478.55</b>
Which the Board of Directors have appropriated as under:		
(i) Interim Dividend on Equity Shares for the year @15% (13%)	156.95	136.03
(ii) Proposed Final Dividend on Equity Shares for the year 19% (17%)	198.81	177.88
(iii) Corporate Tax on Interim Dividend	20.51	17.43
(iv) Corporate Tax on Final Dividend	27.88	22.79
(v) Transfer to General Reserve	1142.26	950.00
	<u>1546.41</u>	<u>1304.13</u>
Balance carried forwarded to Profit & Loss Account	<u>160.03</u>	<u>174.42</u>

**2. Dividend**

The Directors are pleased to recommend Final Dividend at 19 % for the year ended 31<sup>st</sup> March 2005, subject to the approval of Share Holders at the ensuing A.G.M. The Interim Dividend for the year at 15% was paid earlier.

**3. Operations**

The total production of finished goods during the year under review increased to 13771 MT, (12233 MT), about 13%; despite Flash Floods in Daman / Silvassa area and in our Silvassa Units on 3<sup>rd</sup> August 04. Our operations were suspended consequently for about 6 days and thereafter got interrupted frequently for one week due to the damage to the Public- Electric- Power- Supply- Utility.

Sale Income (net of taxes) is about 42% higher due to increase in the sales and also the cost of our Principal Input, Copper. The Average Price of Copper was 31% or so more as compared to the previous year. Thrust on exports was maintained during the year.

Demand from Domestic Electrical Equipment Sector for our product was good, though, Value-addition was under pressure due to intense domestic competition and import of finished goods from SAARC countries.

The Government reduced Import Duty on Copper to 10% (effective 11% ad valorem). The Wire & Cable & Electrical Equipment Industry has appreciated this thoughtful step of the Government. The Electrical Equipment Manufacturing Industry, which is the Principal Consumer of our Finished Goods, is very well equipped with adequate capacity, technological competence and man-power resources in our Country. It is hoped that as the utmost priority has been accorded by the Government for the growth of Electrical Power Sector, the Government of India will reduce further the Import Duty on Copper by 5% so that Wire & Cable and Electrical Equipment Manufacturing Industry has a level-playing field.

Free Trade Agreements (FTA) with some of the SAARC Countries permit Duty-Free Import of our Finished Goods into India at Nil rate of Import Duty despite the fact that such exporting countries has Nil Rate of Import Duty on Copper used for producing our Finished Goods for ultimate export to India. Also the value-addition norms specified in FTA with the neighbouring countries permitting such duty-free imports into India need to be enforced.

Despite the above constraints, the performance of your Company is very satisfactory.

Our finished product being an Industrial Input, correct slab of Value-Added-Tax (VAT) should be 4% instead of 12.5% and it is hoped that the same will be rationalized.

**4. Modernisation & Expansion:**

Your Company continues to commit vigorously resources for modernization, capacity-expansion & diversification at Silvassa Units. During Q3 & Q4 of the year 2005-06 some more imported Plants are likely to go on stream. Major Imported Equipments for the on-going Projects have been ordered and the Civil Work is under progress, and upto the period ending March 07 an approximate investment of about Rs.700 Million is envisaged. On full implementation of the on-going Projects, the total installed capacity of

## DIRECTORS' REPORT

finished goods may increase to about 22 K/MT/year. As part of the above Modernisation and Expansion, a New Unit (Unit III) is being set up at our Silvassa premises.

Your Company is in the process of tying up the required Term Loan and the additional Working Capital.

Our Palej Unit contribute less than 15% of the total production of the Company. It is a low productivity and high-cost Unit. The Management may close down Palej Unit if efforts to re-structure the operations do not succeed.

### 5. Listing / Dematerialisation of the Company's Equity Shares

The Equity Shares of your Company continue to be listed at the Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) and required Annual Listing Fees have been paid and as the same are generally traded on BSE and NSE.

The Equity Shares of the Company are compulsorily traded in dematerialized form as prescribed by SEBI. The same are registered with both National Securities Depository Ltd., Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai - 400 023, Under ISIN No. INE372C01011, common for both.

### 6. Particulars of Employees:

The particulars of employee who was employed throughout the year and was in receipt of remuneration for the year in the aggregate of not less than Rs.24,00,000 and/or not less than Rs.2,00,000/-per month in respect of those who were employed for part of the year required to be furnished under Section 217 (2A) of the Companies Act, 1956, are given in Annexure I hereto and form part of this report.

### 7. Disclosure of particulars in the Directors' Report:

As required under the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988, the necessary particulars are given in Annexure II hereto and form part of this report.

### 8. Auditors

The Auditors, M/s S.R.Divatia & Company, Chartered Accountants, Mumbai, who had been Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. Subject to the approval of the Members it is proposed to re-appoint them for the Financial Year 2005-06. The Auditors have u/s 224 (1B) of the Companies Act 1956 furnished Certificate of Eligibility for reappointment.

### 9. Corporate Governance:

As required by Clause 49 of the Listing Agreements with Stock Exchanges, a Corporate Governance Report, a Management Discussion and Analysis, and the Certificate of the Auditors of the Company regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. Please refer Annexure III to the Directors' Report.

### 10 Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company based on the representations received from the operating management confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2005 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

### 11. Directors

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri P.N. Vencatesan and Shri Vijay M. Crishna retire by rotation and are eligible for reappointment.

### 12. Acknowledgements

The Directors wish to place on record their deep appreciation of the continued assistance and co-operation from Bank of Baroda, BNP Paribas, the Administration of Union Territory of Dadra and Nagar Haveli, Palej Gram Panchayat and all the Staff and employees of the Company.

For and on behalf of the Board,

**Mahendra R. Mehta**  
Chairman and Managing Director

Mumbai

Dated 10<sup>th</sup> June, 2005.

## D I R E C T O R S ' R E P O R T

### ANNEXURE I TO DIRECTORS' REPORT

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2005.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	76	—	Chairman & Managing Director	June 1975	53	55,85,295 #	Chairman & M.D Of Erstwhile Atlas Wires Ltd.
Shri Deepak M. Mehta	48	B.Com	Whole-time Director	January 1989	25	54,82,797	Whole-time Director Of Erstwhile Atlas Wires Ltd.
Shri Milan M. Mehta	42	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	20	53,17,366 #	Technical Director, Erstwhile Atlas Wires Ltd.

#### Notes:

- (1) Please refer Para 6 of the Directors' Report
  - (2) All the above persons are relatives of each other
  - (3) The above employments are contractual in nature.
  - (4) Remuneration (Gross) includes Salary, Commission, taxable value of perquisites and Company's contribution to Provident Fund.
- # However as Shri Mahendra R. Mehta and Shri Milan M. Mehta Managing Directors each, hold more than 5% of the Paid-up Share Capital of the Company, are ineligible on this ground for entitlement of gratuity payment through the Trust created, provision in the current year, therefore, has been made for the gratuity payable to them at 15 days salary for the each year completed, being Rs. 1,15,385 /- and Rs. 3,46,155 /- for Shri Mahendra R. Mehta and Shri Milan M. Mehta respectively, which is not included above.

### ANNEXURE II TO DIRECTORS' REPORT

#### 1. Conservation of energy:

A. Energy consumption details in form "A" have not been prescribed for the class of industry to which your Company belongs.

#### 2. Form "B"

##### Research and Development (R&D):

1. Special areas in which R & D carried out by the Company.
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D

Development of larger spools; Special Tools and Material Handling Facility

Savings in consumption of Inputs, Improvement in quality & Safer & Faster-flow of materials

Product Improvement.

Nil

##### Technology Absorption, Adaptation and Innovation:

1. Efforts, in brief, made towards technology absorption and innovation
2. Benefits derived as a result of the above efforts
3. Information about imported Technology

The Company continues to Modernise. Training of Manpower for technology absorption has been continuously undertaken.

Modernisation and improvement in Quality.

Imported Technology for some specific products received during earlier year has been absorbed satisfactorily.

#### 3. Foreign Exchange Earnings and Outgo:

Earnings  
Outgoings

Rs. 52.28 (Rs. 25.76) lacs

Rs. 1153.82 (Rs. 788.01) lacs



**CORPORATE GOVERNANCE REPORT FOR THE YEAR**  
1<sup>ST</sup> April 2004 to 31<sup>ST</sup> March 2005

**(ANNEXURE III TO THE DIRECTORS' REPORT)**

(as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges)

**1. A brief statement on Company's Philosophy on code of Corporate Governance:**

The Company continues to remain committed to satisfy the need for transparency in providing the necessary information to Shareholders about the functioning of the Board, the Management and upholding the Corporate Governance practices, within the limits set by the Company's competitive position.

**2. Board of Directors:**

The names and categories of the Directors on the Board, their attendances at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are as under:

Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meetings of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R Mehta	Chairman and Managing Director	Promoter, Executive	—	—	6	6	Yes
Shri Milan M Mehta	Vice-Chairman and Managing Director	Promoter, Executive	—	—	6	5	Yes
Shri Deepak M Mehta	Whole-time Director	Promoter, Executive	—	—	6	5	Yes
Shri Vijay M Krishna	Director	Non-Executive, Independent	7	0	6	2	No
Shri P N Vencatesan	Director	Non-Executive, Independent	3	3	6	6	Yes
Shri P R Merchant	Director	Non-Executive, Independent	2	5	6	6	Yes
Shri A P Kothari	Director	Non-Executive, Independent	13	—	6	5	No

\* Excluding Private, Foreign and Companies registered under Section 25 of the Companies Act, 1956.

**During the year**

- 6 Meetings of the Board of Directors (BoD) were held, on 16.04.2004, 07.05.2004, 25.06.2004, 29.07.2004, 28.10.2004, 27.01.2005. and the gap between two meetings did not exceed four months.
- Annual General Meeting (AGM) of the company was held on 19.08.2004.

**3. Audit Committee:**

The Board of Directors had constituted an Audit Committee in the Year 2001.

Brief Description of Terms of Reference are as under:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To fix audit fees of the internal auditors and to approve payment for any other services.
- To meet Statutory Auditors and Internal Auditors, discuss their findings and related matters and to review with the Management the Quarterly Financial Results and also Annual Accounts before same are submitted to the Board for its consideration,
- To look into the various aspects envisaged by relevant SEBI guidelines in this regard.

**During the year**

6 Meetings of the Audit Committee of the Board of Directors were held, on 16.04.2004, 07.05.2004, 25.06.2004, 29.07.2004, 28.10.2004 & 27.01.2005.

The Composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of the Member	Category	Audit Committee Meeting	
		Held	Attended
Shri P N Vencatesan, Chairman (Chartered Accountant)	Independent, Non –Executive	6	6
Shri P R Merchant (Retired Senior Banker)	Independent, Non –Executive	6	6
Shri A P Kothari (Technocrat-Entrepreneur)	Independent, Non –Executive	6	5

Shri P.N.Vencatesan and Shri P R Merchant, the Chairman and the Member of the Audit Committee respectively, were present at the Annual General Meeting held on 19.08.2004.

**4. Remuneration Committee:**

The Board of Directors had constituted a Remuneration Committee in the year 2002, comprising of three Independent & Non-Executive Directors— Shri P N Vencatesan (Chairman), Shri P R Merchant and Shri A P Kothari.

The terms of reference of the Remuneration Committee include to determine Company's policy on specific remuneration packages for Executive Directors, including pension rights and compensation payment, after taking into account the financial position of the Company, trends in the industry, appointee's qualifications, experience, past performance, past remuneration etc., and considering interest of the company and shareholders.

During the year, one meeting was held on 25<sup>th</sup> June, 2004, which was attended by all the Members of Committee. Shri P.N.Vencatesan, Chairman and Shri P.R.Merchant Member were also present at the Annual General Meeting held on 19.08.2004.

Non- Executive Directors do not receive any remuneration except the sitting fees for attending Meetings of the Board of Directors and / or the Committees of Directors.

Details of remuneration to all the Directors are as under:

Name of Director	Gross Remuneration to Executive Directors							Remuneration to Non-Executive Directors
	Service Contract	Notice Period	Salary Rs.	Commission as per section 198 of Company's Act Rs.	Perquisites (Excluding Contribution to PF & Provision for Gratuity) Rs.	Contribution to PF & Provision for Gratuity Rs.	Total Rs.	Sitting Fees for attending Board & Committee meetings Rs.
Shri Mahendra R Mehta	5 Years w.e.f. 01.10.2003	90 days	2400000	2465240	432055	*403385	5700680	Nil
Shri Milan M Mehta	5 years w.e.f. 01.04.2001	90 days	2150000	2465240	444127	**604155	5663522	Nil
Shri Deepak M Mehta	5 years w.e.f. 01.08.2002	90 days	2150000	2465239	609558	258000	5482797	Nil
Shri Vijay M Crishna								15,000
Shri P N Vencatesan								102,000
Shri P R Merchant								84,000
Shri A P Kothari								74,000

\* Includes Provision for Gratuity of Rs. 115385/-.

\*\* Includes Provision for Gratuity of Rs. 346155/-

**5. Share Transfer & Shareholders'/Investors' Grievance Committee:**

The Committee consists of 3 Directors — Shri P. N. Vencatesan, Non- Executive & Independent Director as the Chairman, Shri Milan M Mehta, Managing Director and Shri Deepak M Mehta, Whole-time Director.

Shri Sanjaya R. Kunder, Company Secretary is the Compliance Officer.

Number of complaints received from the Investor 21.  
From 01.04.2004 to 31.03.2005 comprising non receipt of Dividend warrants and non receipt of Shares sent for transfer

Number not solved to the satisfaction of the Investors as on 31.03.2005 Nil

Number of pending transfer of shares 12\*  
as on 31.03.2005

\*Transfers lodged during March 2005, Approved and effected during April 2005.

No share transfers are generally pending beyond a reasonable time except when some clarifications are required from sellers etc.

The Company has also conducted Secretarial Audit relating to the issue of shares, request for dematerialization of shares, Register of Members and changes in share capital, for every quarter effective from quarter ended 31<sup>st</sup> December, 2002 onwards.

**6. General Body Meetings:**

The Location and time of the last three Annual General Meetings held were as follows:

Financial Year	Date	Time	Location
2003-04	19.8.2004	3.00 p.m.	Hall of Mysore Association, 1 <sup>st</sup> floor, 393 Bhaudaji Road, Maheswari Udyan (King Circle) Matunga (Central Railway), Mumbai-400019.
2002-03	22.9.2003	3.00 p.m.	Hall of Mysore Association, 1 <sup>st</sup> floor, 393 Bhaudaji Road, Maheswari Udyan (King Circle) Matunga (Central Railway), Mumbai-400019.
2001-02	28.9.2002	3.00 p.m.	Hall of Mysore Association, 1 <sup>st</sup> floor, 393 Bhaudaji Road, Maheswari Udyan (King Circle) Matunga (Central Railway), Mumbai-400019.