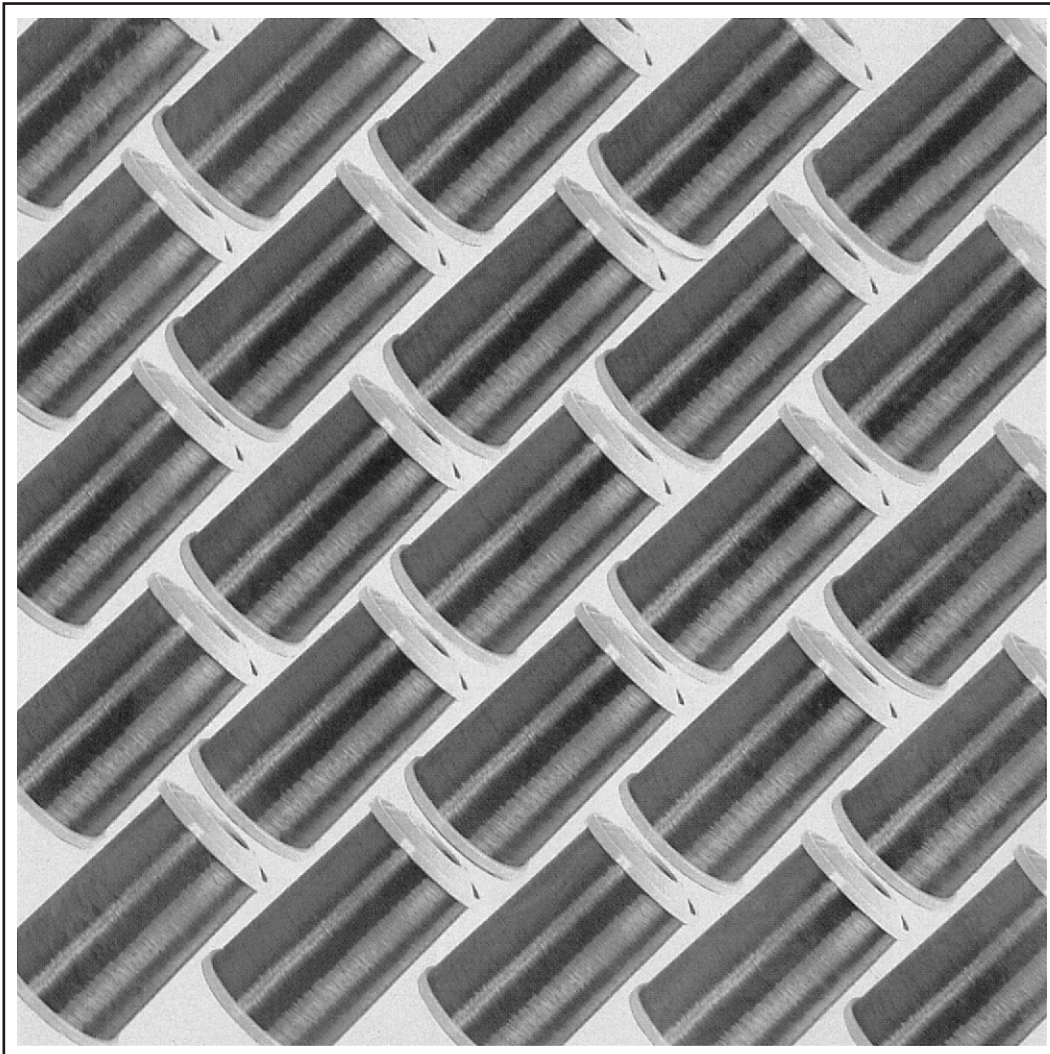


21st

Annual Report
2009-2010



PRECISION WIRES INDIA LIMITED

Financial Highlights

Rupees in Lacs

	2009/10	2008/09	2007/08	2006/07	2005/06
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1046.36	1046.36
Reserves & Surplus	14690.29	13023.26	13015.32	9938.94	8734.27
Provision for Deferred Tax for the year - Expense/(Income)	149.02	74.63	200.97	324.38	184.70
Current Assets	21849.16	16263.92	22037.92	19180.25	14921.13
Current Liabilities	11806.35	7704.37	11868.96	11108.52	10854.76
Inventories	2871.95	4247.26	5430.45	3598.28	3375.98
Sundry Debtors	13742.37	7865.63	11546.42	11121.88	7993.86
Creditors	10194.97	6938.09	11352.26	10606.99	10410.63
Secured Loans	5408.71	6024.97	7338.04	6086.19	3554.44
Financial Charges	447.55	398.42	463.19	525.56	150.91
Depreciation	1087.82	1032.22	900.25	751.30	463.70
Income Tax	929.60	15.60	722.23	543.14	634.45
Dividend paid Rs. Per Equity Share	@ 4.40	0.80	3.6	3.5	3.5
Book Value per Shares Rs.	137.04	122.62	122.55	104.99	93.44
E.P.S. Rs.	19.56	1.00	15.16	16.04	17.25
No. of Shareholders	8378	7952	7884	7258	7825

@ Proposed



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

Mr. Mahendra R. Mehta	–	Chairman and Managing Director & CEO
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. S. G. Sathe

BANKERS : Bank of Baroda, Palej 392 220, Dist. Bharuch, Gujarat
BNP Paribas, Fort, Mumbai

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

REGISTERED OFFICE : Saiman House, J. A. Raul Street,
Off Sayani Road, Prabhadevi, Mumbai - 400 025.
Telephone No. : (022) 2437 6281 • Fax : (022) 2436 2593
Email Id : mumbai@pwil.net

WORKS :

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

PALEJ UNIT : ATLAS WIRES
Plot No. 3, GIDC, N.H. No. 8,
Palej - 392 220,
Dist. Bharuch (Gujarat)

REGISTRARS AND TRANSFER AGENTS :

Sharepro Services (India) Private Limited
Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB,
2nd Floor, Sakinaka, Mumbai - 400 072.
Tel. No. : (022) 67720400 • Fax No. : (022) 67720416
Email Id : sharepro@shareproservices.com

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

Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 023.

National Stock Exchange of India Ltd. (NSE).
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 21st Annual General Meeting of the Members of Precision Wires India Limited will be held on 23rd July, 2010, at 2.30 p.m. at the Hall of The Mysore Association, 1st Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai - 400 019, to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare a dividend on equity shares.
- 3) To appoint a Director in place of Shri Vijay Mohan Crishna who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Ashwinkumar Kothari who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 5) To appoint S. R. Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. S. R. Divatia & Company, Chartered Accountants-having Firm Registration No. 102646W, be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, and Service Tax thereon, as may be fixed by the Board of Directors of the company in addition to reimbursement of travel and other out of pocket expenses incurred by them"

Special Business:

- 6) To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956 or any statutory amendment or modifications thereto and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves the re-appointment of Shri Deepak M. Mehta as Whole-time Director of the Company for a period of Three years with effect from 1st August, 2010 to 31st July, 2013, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 13.5.2010, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 13.5.2010 is hereby specifically approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the

Remuneration Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Deepak M. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956, or any statutory amendments and modifications thereto, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between Board of Directors and Shri Deepak M. Mehta.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Deepak M. Mehta as Whole-time Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company computed under Section 198 of the Companies Act, 1956 and if the company has more than one managerial personnel, ten percent of such net profits for all such managerial personnel of the Company together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove if in any financial year of the company during the currency of tenure of Shri Deepak M. Mehta as Whole-time Director of the company, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances shall be governed by and paid in accordance with the limits and conditions prescribed in Section II of Part II of the Schedule XIII to the Companies Act, 1956, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and may take such steps considered necessary, expedient or desirable in the best interest of the Company, for the purpose of giving effect to this Resolution.

- 7) To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications, amendments or enactment thereof for the time being in force and as may be enacted from time to time (hereinafter referred to as "the Act") and subject to the approval of the Central Government and such other approvals or consents as may be necessary, the consent of the Company be and is hereby accorded to Mr. Nirbhay Deepak Mehta who is a relative of Mr. Deepak Mahendra Mehta, Whole-time Director, Mr. Mahendra Ratilal Mehta, Chairman and Managing Director and Mr. Milan Mahendra Mehta, Managing Director of the Company, to hold office and place of profit in the company for a period of three years with effect from 1st August, 2010 on remuneration and such



NOTICE TO MEMBERS

other terms and conditions as set out in the draft appointment letter initiated by the Chairman of the Company for the purpose of identification and placed before the Meeting which draft of the appointment letter is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Secretary of the Company be and are hereby severally authorized to make, sign and submit the application to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt that may arise in giving effect to this resolution, do all such acts, deeds and things, sign and execute all documents including the appointment letter to be issued to Mr. Nirbhay Deepak Mehta in terms of the draft approved at this meeting and other writings as may

be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

By Order of the Board

S. G. Sathe
Company Secretary

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

Mumbai
13th May, 2010.

Notes :-

- 1) Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 & 7 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 17-7-2010 to 23-7-2010 (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., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2nd Floor, Sakinaka, Mumbai - 400 072, the Registrar and Share Transfer Agents of the Company.
- 5) The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid to those share holders whose names stand on the Register of Members as on 23rd July, 2010.
- 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 Unpaid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund (IEPF) established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended up to 31.03.2002 have been transferred to IEPF of the Central Government. Dividend for financial year ended 31.3.2003 declared on 22.9.2003 is due for such transfer to IEPF on or about 19.9.2010.
- 7) Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2003 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.
- 8) Members are requested to carry their Printed Annual Report at the time of attending the Meeting.

NOTICE TO MEMBERS

Notes : (Continued)

9) Brief note on the background and functional experience of Independent Directors proposed to be re-appointed at the ensuing Annual General Meeting as per Item Nos. 3 and 4 of this Notice, pursuant to Clause 49 of the Listing Agreement is as under:

NAME OF THE DIRECTOR	Shri Vijay M. Crishna	Shri Ashwin P. Kothari
DATE OF BIRTH & AGE	8th March, 1945 AGE: 65 YEARS	14 th September, 1942 AGE: 68 Years
DATE OF APPOINTMENT	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 27.9.2008.	Appointed as Additional Director on 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 27.9.2008.
EXPERTISE IN SPECIFIC FUNCTION	Expertise in Engineering and I.T. Industry and extensive managerial experience.	Expertise in Ferrous and Non Ferrous Metal & Chemical Industries.
QUALIFICATIONS	B.A. (Economics)	S.B. (MIT)
LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD AS ON 31ST MARCH, 2010	(a) Godrej & Boyce Mfg. Co. Ltd. (b) Godrej Industries Ltd. (c) Godrej Agrovet Ltd.	a) Aroni Commercials Ltd. b) Geecee Ventures Limited (Formerly Gwalior Chemical Industries Ltd.) c) Five Star Trading & Investment Co. Ltd. d) Rajashree Holdings Ltd. e) Parke Avenue Engineering Ltd. f) Meenakshi Steel Industries Ltd. g) Jatayu Textiles & Industries Ltd. h) Sunayna Trade & Investment Co.Ltd i) Essel Mining & Industries Ltd. j) Aditya Birla Health Services Ltd. k) Sambhaw Finance & Trading Co. Ltd. l) Mahavir Box Manufacturing Pvt. Ltd. m) Sam-Jag- Deep Investments Pvt. Ltd. n) Vaibhav Medical & Education Foundation o) G. D. Birla Medical Research & Education Foundation
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31ST MARCH, 2010	–	Chairman- Shareholders Grievance Committee – Aroni Commercials Ltd.
SHAREHOLDING IN THE COMPANY	NIL	NIL

Shri Vijay M. Crishna and Shri Ashwin P. Kothari are interested in their own re-appointments and none of other Directors are in any way concerned or interested in the said re-appointments.

Your Directors commend your approval to the re-appointments of Shri Vijay M. Crishna and Shri Ashwin P. Kothari.



NOTICE TO MEMBERS

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (The Act).**Item No. 6.****Re-Appointment of Shri Deepak M. Mehta, Whole-time Director.**

The resolution at Item No. 6 of the Notice seeks approval of the Members in respect of the re-appointment and payment of remuneration to Shri Deepak M. Mehta as Whole-time Director of the Company. The present Term of Office of Shri Deepak M. Mehta as Whole-time Director expires on 31st July, 2010. The Board of Directors of the Company at its Meeting held on 13th May, 2010, has, subject to the approval of the Members of the Company in General Meeting and any other approvals as may be necessary, re-appointed Shri Deepak M. Mehta, vide letter of appointment dated 13-5-2010, as Whole-time Director for a further period of Three Years with effect from 01-08-2010 to 31-7-2013.

The Principal Terms and conditions as contained in the said Letter of Appointment dated 13-5-2010 are as under :

Period :

For 3 Years with effect from 01-08-2010 up to 31-7-2013.

Salary per month (p.m.):

From 1-8-2010 to 31-7-2011 – Rs. 2,25,000/- (Rs. Two lac twenty five thousand) p.m.

From 1-8-2011 to 31-7-2012 – Rs. 2,36,000/- (Rs. Two lac thirty six thousand) p.m.

From 1-8-2012 to 31-7-2013 – Rs. 2,48,000/- (Rs. Two lac forty eight thousand) p.m.

Commission :

In addition to salary, perquisites and other allowances, Commission at 1% based on the Net Profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956, subject to provisions of Section 198 and Section 309 and other applicable provisions, if any of the Companies Act, 1956.

In addition to salary and commission, the following perquisites shall be allowed to Shri Deepak M. Mehta.

Perquisites :**1. Housing:**

Rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Whole-time Director shall be entitled to house rent allowance as may be approved by the Board of Directors.

2. Medical Re-imburement

Reimbursement of medical expenses incurred for Shri Deepak M. Mehta and family.

3. Reimbursement of gas, electricity, water charges and furnishings.**4. Leave travel concession for Shri Deepak M. Mehta and family once in a year not exceeding one month's salary for each year. In case leave travel concession is not availed**

of in any year, the same shall be allowed to be accumulated subject to a maximum of three years.

5. Fees of clubs subject to a maximum of two clubs.
6. Personal accident insurance subject to a maximum premium of Rs. 15,000/- per annum.
7. Provision of car for business as well as for personal purposes with driver.
8. Telephone & Internet connection at the residence for business as well as personal use.
9. Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.
10. Earned / Privilege Leave on full pay and allowances : As per Rules of the Company but not more than one month's leave for every eleven months of service shall be allowed.

Shri Deepak M. Mehta shall also be paid the following perquisites, which shall not be included in the computation of the ceiling on the remuneration in the event the company has no profit or its profits are inadequate in any financial year during the aforesaid period:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c) Encashment of leave at the end of the tenure

Explanation : 'Family' means the spouse, dependent children and dependent parents of the Whole-time Director.

In the event of loss or inadequacy of profits in any financial year of the Company during the currency of tenure of the Whole-time Director, the payment of above Salary and perquisites and other allowances shall be governed by and paid in accordance with the limits and conditions prescribed under Section II of Part II of the Schedule XIII to the Companies Act, 1956 or any amendment thereof.

Other terms

- a) As long as Shri Deepak M. Mehta is functioning as Whole-time Director of the Company no sitting fees will be paid to him for the meetings of the Board of Directors or any Committee thereof attended by him.
- b) The Whole-time Director shall be entitled to reimbursement of all actual expenses, including entertainment, traveling, Hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- c) 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.

Explanatory Statement to Item No. 6 of the Notice, (Continued)

Further particulars as per Part II, Section II of Schedule XIII to the Companies Act, 1956:

(i) Remuneration Committee of the Board has approved the terms of remuneration payable to Shri Deepak M. Mehta, as mentioned hereinabove at its meeting held on 13th May, 2010, which are in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

(ii) The company has not made any default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Shri Deepak M. Mehta.

(iii) The appointment of Shri Deepak M. Mehta as Whole-time Director of the Company with effect from 1.8.2010 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 23rd July, 2010, for payment of remuneration for a period not exceeding three years.

(iv) Other particulars as per Proviso (iv) to paragraph [B] of Section II of Part II of Schedule XIII to the Companies Act, 1956 are as under:

(iv) I : GENERAL INFORMATION:

[1] Nature of Industry : The Company is engaged in manufacture of winding wires of copper.

[2] Date of commencement of commercial production: 31.12.1992.

[3] In case of new companies, expected date of commencement of activities - not applicable.

[4] Financial Performance based on given indicators

	2009-10	2008-09
	(Rs./Lacs)	
Effective Capital	17624.30	17065.52
Net Profit after Tax	2262.30	116.17

[5] Export Performance & net foreign exchange collaborations:

Exports (FOB)	2327.49	1886.55
Foreign Exchange Outgo	6202.04	7744.58

[6] Foreign Investments & Collaborations if any:

The Company has not made any Foreign Investments.

Company has Technology Transfer Agreement for Paper Insulated Copper Conductors and Continuously Transposed Copper Conductors with M/s. Essex spa, Italy.

(iv) II : INFORMATION ABOUT THE APPOINTEE : Shri Deepak M. Mehta as per proviso (IV) of Part II of Section II, Section 1 [B] of Schedule XIII to the Companies Act, 1956:

[1] Background Details : Shri Deepak M. Mehta is a Commerce Graduate and he was Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd. He has contributed immensely to the performance of the company over the years and played pivotal part in the growth of the Company.

[2] Past Remuneration: Shri Deepak Mehta was paid the following remuneration:

	2009-10	2008-09
	(Rs./Lacs)	
Salary	24.00	24.00
Perquisites	9.68	7.24
Commission	34.19	3.41
Contribution to Provident Fund	2.88	2.88
Total	70.75	37.53

[3] Recognition or awards : The company has no information about it.

[4] Job Profile and his suitability : Having regard to the vast experience as Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd., the Board of Directors is of the opinion that Shri Deepak M. Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.

[5] Remuneration Proposed : As per the above explanatory statement, for a period of three years from 1-8-2010 to 31-7-2013

[6] Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The company has no information to offer, but having regard to the versatile experience and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.

[7] Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel : Shri Deepak M. Mehta is a promoter of the Company holding 5,67,160 fully paid Equity Shares of Rs. 10/- each, amounting to 4.90% of the paid up capital of the Company, including shares held as karta of HUF. He is son of Shri Mahendra R. Mehta, CMD and brother of Shri Milan M. Mehta, Managing Director.



NOTICE TO MEMBERS

(iv) III : OTHER INFORMATION :

- [1] Reasons for Loss or Inadequacy of Profits : Not applicable as Company is a profit making company at present.
- [2] Steps taken or proposed to be taken for improvement : Not applicable as the Company is a profit making company at present. However, company continues to strengthen internal procedures to control inventories and operating costs.
- [3] Expected increase in productivity and profits in measurable terms : Not applicable as the Company is a profit making company at present. However, considering the volatility in the price of the principal input of the company, copper rods, it is difficult to make any estimates of increase in productivity and profits in measurable terms.

(iv) IV : DISCLOSURES:

- [1] The Remuneration package of the Managerial Personnel for the year 1.4.2009 to 31.3.2010, is given in the explanatory statement above.
- [2] The following information has been disclosed in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report for the year 2009-10:
 - [i] All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of all the directors;
 - [ii] Details of fixed component and performance linked incentives along with the performance criteria;
 - [iii] Service contracts, notice period, severance fees;
 - [iv] Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Item No. 7.**Appointment of Shri Nirbhay D. Mehta, as Manager (Commercial and Finance) of the Company.**

Shri Nirbhay Deepak Mehta, is the son of Shri Deepak M. Mehta, Whole-time Director of the Company. He has completed his studies in Business Management at University of Illinois, USA and also had training of about 2 months at Ernst & Young, Chartered Accountants, in Mumbai. He is desirous to make his career in the Company. Shri Nirbhay D. Mehta holds 444825 (3.85%) Equity Shares of the Company and is a part of the Promoter Group.

The Remuneration Committee and the Board of Directors at their Meetings held on 28th January, 2010 had appointed Shri Nirbhay D. Mehta as a Trainee. No remuneration is to be paid to him during the Training period. Considering the performance of Shri Nirbhay D. Mehta during the Training and the Educational Qualifications of Shri Nirbhay D. Mehta, and comparative remuneration profile prevailing in manufacturing industries in India for persons of similar qualifications, the Remuneration Committee and the Board of Directors at their meetings held on 13th May, 2010, have appointed Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company for a period of three years on the terms and conditions given below.

The appointment of Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company will take effect from 1st August, 2010, after consent is granted by the Company in this regard at the ensuing Annual General Meeting to be held on 23rd July, 2010, by a Special Resolution and shall be subject to the approval of the Central Government. The following remuneration is proposed to be paid to Shri Nirbhay D. Mehta for a period of three years.

	1-8-2010 to 31-7-2011	1-8-2011 to 31-7-2012	1-8-2012 to 31-7-2013
	Rupees	Rupees	Rupees
Basic Salary Per Month	40000	43200	46500
Conveyance Allowance Per Month	5000	5500	6000
Medical Allowance Per Month	1000	1000	1000
Total for the year	552000	596400	642000
Add : Leave Travel Allowance	40000	43200	46500
Bonus @ 20% of Basic Salary, subject to maximum of	60000	60000	60000
Total Remuneration per Annum	652000	699600	748500

Company will also pay contribution to Provident Fund for Shri Nirbhay D. Mehta.

The Other Terms and conditions for the proposed appointment of Shri Nirbhay D. Mehta are as under :

1. Shri Nirbhay D. Mehta will also be entitled to Retirement Gratuity as per company's rules.
2. Shri Nirbhay D. Mehta will also be entitled to the Leave benefits and encashment of leave as per company's rules.
3. The services of Shri Nirbhay D. Mehta can be terminated by giving Thirty (30) days' notice in writing by either party.
4. Any revision in the remuneration payable to Shri Nirbhay D. Mehta will be subject to the prior consent of the Company by a Special Resolution in the General Meeting and approval of the Central Government.

NOTICE TO MEMBERS

MEMORANDUM OF CONCERN OR INTEREST IN ITEM NUMBERS 6 & 7 OF THE NOTICE OF THE MEETING :

Shri Mahendra R. Mehta - Chairman and Managing Director, Shri Milan M. Mehta - Managing Director and Shri Deepak M. Mehta - Whole-time Director are relatives of each other and also relatives of Shri Nirbhay D. Mehta and therefore they may be deemed to be concerned with or interested in the Special Resolutions at item No. 6 & item No. 7 of the accompanying Notice of Meeting of Shareholders to be held on 23rd July, 2010, as these items relate to Re-appointment of Shri Deepak M. Mehta as Whole-time Director and appointment and remuneration of Shri Nirbhay D. Mehta.

Save as aforesaid, none of other Directors are in any way concerned or interested in the Resolution at item no. 6 & 7 of the accompanying Notice of Meeting of shareholders to be held on 23rd July, 2010.

DOCUMENTS OPEN FOR INSPECTION:

The following documents in relation to Item Nos. 6 & 7 of the accompanying Notice are open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday:

- 1] Letter of appointment dated 13th May, 2010, issued to Shri Deepak M. Mehta, referred to in the item No. 6 of the accompanying Notice.

- 2] Draft of Letter of appointment, initialed by the Chairman of the Remuneration Committee of the Board for identification, to be issued to Shri Nirbhay D. Mehta, referred to in the item No. 7 of the accompanying Notice.

Your Directors commend the proposed Resolutions at item Nos. 6 & 7 of the Agenda as Special Resolutions for your approval.

By Order of the Board

S. G. Sathe
Company Secretary

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

Mumbai
13th May, 2010.