

W.S. INDUSTRIES (INDIA) LIMITED

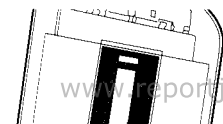
**46th Annual Report
2008 - 2009**



WSI's Silicone Coated Disc Insulator on display - visit to our stall by then Hon'ble Minister of State for Power, Mr. Jairam Ramesh at GRIDTECH 2009



33kV Substation at Haryana implemented by WSI 's Projects Division





W.S.INDUSTRIES (INDIA) LIMITED

Registered Office : 108, Mount Poonamallee Road, Porur, Chennai - 600 116.

NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Company will be held on Tuesday, the 15th September, 2009 at 10.30 A.M. at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, T.T.K. Road, Chennai - 600 014. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended March 31, 2009 and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in the place of Air Marshal S.J. Dastur (Retd.), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr.G.V. Viswanath, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

[The retiring Auditors, M/s.S.Viswanathan, Chartered Accountants, Chennai, are eligible for reappointment and have indicated their willingness.]

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 or any re-enactment thereof and subject to the approval of the Financial Institutions and other Statutory authorities if any as may be required and subject to the prior approval of the Central Government as required under Part II (C) of Schedule XIII to the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board for the variation in terms of appointment of Mr. Murali Venkatraman as Vice Chairman & Managing Director of the Company for a period of five years with effect from 24th July 2009 on non rotational basis and on revised remuneration for a period of three years with effect from 1.4.2009 and other terms and conditions as set out in the Explanatory Statement annexed hereto as approved by the Remuneration Committee and the Board Meeting held on 24.7.2009.

RESOLVED FURTHER THAT in the year in which adequate profits are available, the Board of Directors/Remuneration committee constituted by the Board be and are hereby authorized to vary the terms of remuneration and perquisites with liberty to revise the remuneration payable to Mr.Murali Venkatraman if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the shareholders of the Company.



RESOLVED FURTHER THAT consequent to the reappointment of Mr. Murali Venkatraman as Vice Chairman & Managing Director effective from 24.07.2009 on revised terms, the present tenure of Mr. Murali Venkatraman shall stand preclosed and tenure of appointment based on the revised terms shall be effective as per the limits given in the Explanatory Statement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any Committee of Directors or Director(s).

RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under Section 302 of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 or any re-enactment thereof and subject to the approval of the Financial Institutions and other Statutory authorities if any as may be required and subject to the prior approval of the Central Government as required under Part II (C) of Schedule XIII to the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board for the variation in terms of appointment of Mr. Narayan Sethuramon as Managing Director of the Company for a period of five years with effect from 24th July 2009 on non rotational basis and on revised remuneration for a period of three years with effect from 1.4.2009 and other terms and conditions as set out in the Explanatory Statement annexed hereto as approved by the Remuneration Committee and the Board Meeting held on 24.7.2009.

RESOLVED FURTHER THAT in the year in which adequate profits are available, the Board of Directors/Remuneration committee constituted by the Board be and are hereby authorized to vary the terms of remuneration and perquisites with liberty to revise the remuneration payable to Mr. Narayan Sethuramon if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the shareholders of the Company.

RESOLVED FURTHER THAT consequent to the reappointment of Mr. Narayan Sethuramon as Managing Director effective from 24.07.2009 on revised terms, the present tenure of Mr. Narayan Sethuramon shall stand preclosed and tenure of appointment based on the revised terms shall be effective as per the limits given in the Explanatory Statement".

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any Committee of Directors or Director(s).

RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under Section 302 of the Companies Act, 1956."

BY ORDER OF THE BOARD
for **W.S.INDUSTRIES (INDIA) LIMITED**
K.S.NATARAJAN
COMPANY SECRETARY

Chennai
24th July, 2009

**NOTES :**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 7th September, 2009 to 15th September, 2009 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Items No. 6 & 7 of the Notice is enclosed.
4. Members are requested to bring their copies of the Annual Report to the Meeting. They are also requested to avoid being accompanied by non-members and children.
5. Members are requested to notify any change in their addresses quoting their Folio/Client ID No. to the Company's Registrars & Share Transfer Agents – M/s. Integrated Enterprises (India) Limited, II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 immediately.

EXPLANATORY STATEMENT
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.
Item No.6

The shareholders are aware that Mr. Murali Venkatraman was reappointed as the Vice Chairman & Managing Director of the Company for a period of three years with effect from 16th September, 2007 and the consent of the members was obtained at the Annual General Meeting held on 28th September 2007. His term of office expires on 15th September, 2010.

It is to be noted that he has taken appropriate steps in enhancing the geographical markets, implementing cost reduction and value engineering in the Company and the benefits derived from these steps have resulted in improved operations of the Company during the last 2 years.

Therefore, the Board of Directors of your Company after considering his qualifications and rich experience in the Electrical Industry as well as the substantial increase in the activities/operations of the Company, thought it fit to revise his remuneration.

As required under Part II Section II (C) (iii) of Schedule XIII of the Act, the approval of the shareholders by way of **Special Resolution** is required for payment of the proposed remuneration for three years with effect from 1.4.2009.

Further, for paying the proposed remuneration, the approval of the Central Government as provided under Part II Section II (C) of Schedule XIII to the Companies Act, 1956 is required to be obtained.

Although your Board of Directors is of the opinion that in the near future its expected performance would enable the Company to have adequate profits to pay remuneration to the Vice Chairman & Managing Director as per Part II Section I of Schedule XIII of the Act (i.e. 5% or 10% of the net profits determined in accordance with the relevant provisions of the Act), it is required to obtain the approval of the Central Government for payment of remuneration during the period in which the profits computed in terms of the Act are inadequate.



Further, though the actual term of office of Mr.Murali Venkatraman as Vice Chairman & Managing Director expires next year, from a point of convenience and ease of compliance with the statutory procedures, it was felt appropriate to revise the term of office by pre concluding his term from 15.9.2010 to 24.7.2009 and reappoint him for a period of five years w.e.f. 24th July 2009.

Though the reappointment is for 5 years, the Remuneration proposed to be paid to Mr.Murali Venkatraman for a period of 3 years only (being the maximum number of years as per Schedule XIII) has been considered by the Remuneration Committee at its meeting held on 24th July, 2009 and the details of the remuneration as recommended by them are placed before the Members for their consideration. The necessary details required to be disclosed under clause (iv) of proviso to paragraph 1(C) of Section II of Part II of Schedule XIII to the Companies Act, 1956 are furnished hereunder:

I. General Information:

1. Nature of Industry.

The Company is engaged in the business of manufacture and sale of High Voltage Electro Porcelain Insulators and execution of turnkey contracts for power projects.

2. Date or expected date of commencement of Commercial production.

Not applicable since the Company is an existing Company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable since the Company is an existing Company.

4. Financial Performance based on given indicators.

(Rs. in million)

Particulars	Year ended 31-03-2007	Year ended 31-03-2008	Year ended 31-03-2009
Sales	1652	2270	2227
PBDIT	203	314	252
PBIT	171	282	214
Net Profit	66	167	89

5. Export performance.

The Company has been exporting its products to various countries for the past two decades. It enjoys the status of Export House for the last 20 years and is the recipient of the special export award from CAPEXIL for its outstanding export performance continuously for the last 8 years.

The Company's exports (including Deemed) for the last three years are as under:

(Rs. in million)

Year ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2009
518	789	1092

6. Foreign investments or collaborations, if any: NIL



II. Information about the appointee: MR. MURALI VENKATRAMAN

S.NO.	DESCRIPTION	PARTICULARS
1.	Background details	Aged 47 years, he is a Graduate in Electrical Engineering and holds a Master's Degree in Engineering Management from Stanford University, USA. He has been a Director on the Board from 1985 and Managing Director of the Company since 1997. He is also on the Boards of other companies engaged in the Thermoplastics, Plantation and Electrical sectors.
2.	Past Remuneration for the Financial year 2008 -2009.	Rs.3.70 million.
3.	Recognition or awards	a. Actively associated for several years with various industry and management bodies including Madras Management Association (MMA), Madras Chamber of Commerce and Industry (MCCI) and The Associated Chambers of Commerce and Industry of India (ASSOCHAM). b. Incoming President of the Indian Electrical and Electronic Manufacturers Association (IEEMA) for the year 2009-10.
4.	Job profile and suitability.	Has more than 22 years of experience in the electrical industry. Has also been actively involved in the diversification and expansion activities of the group.
5.	Remuneration Proposed (For three years commencing from 01-04-2009)	(Rs. In Millions) Salary 4.20 Perquisites 0.30 Incentives* 1.00 Total 5.50 * Incentive to be paid @ Rs.100,000 for every increase of Rs.5 Million of profits using a base PBT of Rs. 120 Million with a cap of Rs.1 Million (More fully described in the Annexure)
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The remuneration proposed to be paid is consistent with the responsibility of the position and is comparable with the remuneration for CEOs and Senior Managerial Personnel in similar industries in the industrial manufacturing sector.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.	Related to Mr.V.Srinivasan, Chairman and Mr.Narayan Sethuramon, Managing Director. Holds 1.035 % of shares in the Company. Apart from the above, he has no other pecuniary relationship directly or indirectly with the Company.



III. Other information:

The Company has been making reasonable profits in the recent years. In view of the losses carried forward arising out of earlier years, there is inadequacy in profits as determined in accordance with Section 349 of the Companies Act 1956.

The Company has taken various steps for improvement of its profitability on a sustained basis under the direction and supervision of the appointee. These include the following :

1. Enhancing geographical customer base and also introducing new export customers
2. Introducing various cost control measures including implementation of Energy Conservation, increase in the yield of product delivery, reduction in interest costs through efficient funds management etc.
3. The Company has also commissioned a new state-of-the-art facility at Visakhapatnam.

The above steps are expected to contribute significantly to the growth in sales and profitability.

As a result of the various measures being taken on an ongoing basis as well as the ramp-up of the new unit recently commissioned, the productivity and profitability of the Company are expected to improve significantly in a span of three years.

IV. Disclosures

Mr.Murali Venkatraman is directly deemed to be concerned/interested in the subject. Mr.V.Srinivasan – Chairman and Mr.Narayan Sethuramon, Managing Director being related to Mr.Murali Venkatraman are also deemed to be interested in the subject.

No other Director is concerned or interested in the subject.

The information contained in the foregoing paragraphs may also be treated as a notice to be issued to the Members of the Company under Section 302 of the Companies Act, 1956. The Articles of Association of the Company and the draft agreement proposed to be entered into between the Company and Mr.Murali Venkatraman are open to inspection by the Members at the Registered Office of the Company on any working day during business hours until the date of the Annual General Meeting.

ANNEXURE

MR.MURALI VENKATRAMAN

S. NO.	DESCRIPTION	PARTICULARS
1	Salary	Rs. 350,000/- per month with an annual increment of Rs.42,000/-
2	Perquisites	LTA, Medical Reimbursement for self and family, Insurance, Club Fees etc. subject to an overall ceiling of Rs. 300,000/-per annum.
3	Incentive	Incentive (payable annually) at the rate of Rs.100,000/- for every increase of Rs. 5,000,000/- of profits using a base Profit Before Tax of Rs.120,000,000/-. The maximum amount payable under this head will be Rs.1,000,000/-.
4	Retirement Benefits	Contribution to Provident Fund / Superannuation Fund and Gratuity as per the approved Scheme of the Company in force from time to time.



5	General	<p>a. Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.</p> <p>b. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes), the perquisites shall be valued as per income tax rules.</p>
---	---------	---

Item No. 7

The shareholders are aware that Mr.Narayan Sethuramon was reappointed as the Managing Director of the Company for a period of three years with effect from 9th December, 2007 and the consent of the members was obtained at the Annual General Meeting held on 28th September 2007. His term of office expires on 9th December 2010.

It is to be noted that he has taken appropriate steps in enhancing the geographical markets, implementing cost reduction and value engineering in the Company and the benefits derived from these steps have resulted in improved operations of the Company during the last 2 years.

Therefore, the Board of Directors of your Company after considering his qualifications and rich experience in the Electrical Industry as well as the substantial increase in the activities/operations of the Company, thought it fit to revise his remuneration.

As required under Part II Section II (C) (iii) of Schedule XIII of the Act, the approval of the shareholders by way of **Special Resolution** is required for payment of the proposed remuneration for three years with effect from 1.4.2009.

Further, for paying the proposed remuneration, the approval of the Central Government as provided under Part II Section II (C) of Schedule XIII to the Companies Act, 1956 is required to be obtained.

Although your Board of Directors is of the opinion that in the near future its expected performance would enable the Company to have adequate profits to pay remuneration to the Managing Director as per Part II Section I of Schedule XIII of the Act (i.e. 5% or 10% of the net profits determined in accordance with the relevant provisions of the Act), it is required to obtain the approval of the Central Government for payment of remuneration during the period in which the profits computed in terms of the Act are inadequate.

Further, though the actual term of office of Mr.Narayan Sethuramon as Managing Director expires next year, from a point of convenience and ease of compliance with the statutory procedures, it was felt appropriate to revise the term of office by pre concluding his term from 9.12.2010 to 24.7.2009 and reappoint him for a period of five years w.e.f. 24th July 2009.

Though the reappointment is for 5 years, the Remuneration proposed to be paid to Mr. Narayan Sethuramon for a period of 3 years only (being the maximum number of years as per Schedule XIII) has been considered by the Remuneration Committee at its meeting held on 24th July, 2009 and the details of the remuneration as recommended by them are placed before the Members for their consideration. The necessary details required to be disclosed under clause (iv) of proviso to paragraph 1(C) of Section II of Part II of Schedule XIII to the Companies Act, 1956 are furnished hereunder:



I. General Information:

1. Nature of Industry.

The Company is engaged in the business of manufacture and sale of High Voltage Electro Porcelain Insulators and execution of turnkey contracts for power projects.

2. Date or expected date of commencement of Commercial production.

Not applicable since the Company is an existing Company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable since the Company is an existing Company.

4. Financial Performance based on given indicators.

(Rs. in million)

Particulars	Year ended 31-03-2007	Year ended 31-03-2008	Year ended 31-03-2009
Sales	1652	2270	2227
PBDIT	203	314	252
PBIT	171	282	214
Net Profit	66	167	89

5. Export performance.

The Company has been exporting its products to various countries for the past two decades. It enjoys the status of Export House for the last 20 years and is the recipient of the special export award from CAPEXIL for its outstanding export performance continuously for the last 8 years.

The Company's exports (including Deemed) for the last three years are as under:

(Rs. in million)

Year ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2009
518	789	1092

6. Foreign investments or collaborations, if any: NIL

II. Information about the appointee: MR. NARAYAN SETHURAMON

S.NO.	DESCRIPTION	PARTICULARS
1.	Background details	Aged 38 years, he is a Graduate in Production Engineering and holds a Master's Degree in Management from Purdue University, USA. He has been on the Board of the Company for the last 15 years in the capacity of Whole-time Director/Joint Managing Director/Managing Director.
2.	Past Remuneration for the Financial year 2008 -2009.	Rs.3.46 million.