

104th ANNUAL REPORT 2011-2012



A Tradition of Engineering Excellence

WALCHANDNAGAR INDUSTRIES LIMITED



SETH WALCHAND HIRACHAND

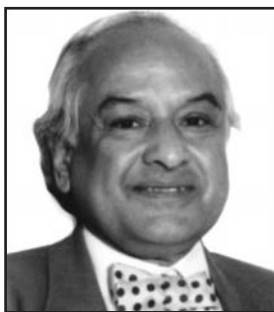
Seth Walchand Hirachand's life was truly a triumph of persistence over adversity.

Sardar Vallabhbhai Patel

Board of Directors



Chakor L. Doshi
Chairman



Dr. P. K. Basu
Director



Dilip J. Thakkar
Director



A. U. Rijhsinghani
Director



Dr. Anil Kakodkar
Director



G. N. Bajpai
Director



J. L. Deshmukh
Director



G. K. Pillai
Managing Director & CEO



Chirag C. Doshi
Managing Director

Corporate Information

Registered Office

Walchandnagar Industries Ltd.
3, Walchand Terraces,
Tardeo Road,
Mumbai - 400 034
Tel. No. (022) 4028 7110 / 2369 2295

Pune Offices

Walchand House
167A, 2/8+2/9,
Karve Road, Kothrud, Pune - 411 038
Tel. No. (020) 3025 2400

Walchand Technology Centre
15/1/B, G. A. Kulkarni Path,
Kothrud, Pune - 411 038

Factories

Walchandnagar, Dist. Pune, Maharashtra
Satara Road, Dist. Satara, Maharashtra
Attikola, Dharwad, Karnataka.

Compliance Officer

Mr. G. S. Agrawal
Vice President (Legal & Taxation) and Company Secretary

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.
Tel. No. (022) 2596 3838
Fax No. (022) 2594 6969
E-mail: mumbai@linkintime.co.in

Auditors

K.S. Aiyar & Co.
Chartered Accountants

Principal Bankers

State Bank of India
Bank of India
ING Vysya Bank Ltd.
The Hongkong & Shanghai Banking Corporation Ltd.

CONTENTS

- 3 Letter from the Chairman
- 4 Notice to the Shareholders
- 10 Directors' Report
- 13 Management Discussion and Analysis
- 16 Report on Corporate Governance
- 29 Auditors' Report
- 32 Financials

Letter from the Chairman



Dear Members,

It is my pleasure to welcome you all to this 104th Annual General Meeting and present the Annual Report of your Company.

The economic business environment in India was quite challenging in the last year and investments in some of the sectors continued to remain subdued. Consequent to which there was a lower demand for capital goods.

However, your Company has been making sustained efforts to increase its presence in the overseas market in some of the sectors like Sugar, Boiler & Cement where the domestic demand has been low. Your Company was able to achieve export sales of Rs. 298 Crores in the year under review.

Further, the business outlook continues to remain positive for other segments like Aerospace, Missiles, Defense and Nuclear power in the foreseeable future and the Company is well placed to benefit from the opportunities in these sectors.

It is with this cautious confidence in the future prospects of the Company, that the Board of Directors of your Company has maintained a recommendation of dividend of 50%.

I take this opportunity to place on record my sincere thanks for your continued support and confidence that you have placed on the Company and look forward to the same in future.

Thank you,

A handwritten signature in dark ink, appearing to read 'Chakor L. Doshi'.

Chakor L. Doshi

Chairman

Notice

Notice is hereby given that the 104th Annual General Meeting of members of Walchandnagar Industries Limited will be held as scheduled below:

Day : Thursday
Date : 31st January, 2013
Time : 4.00 p.m.
Place : Walchand Hirachand Hall,
Indian Merchants' Chambers Building,
Churchgate, Mumbai-400 020.

The Agenda for the meeting will be as under:

Ordinary Business:

1. To receive, consider and adopt Audited Balance Sheet of the Company as at September 30, 2012 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended September 30, 2012.
3. To appoint a Director in place of Dr. P. K. Basu, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Dilip J. Thakkar, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution as required under Section 224 of the Companies Act, 1956, for appointment of Auditors:

"RESOLVED THAT M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

Special Business:

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

"RESOLVED THAT Mr. G. K. Pillai whose term of Office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company expires at this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

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

"RESOLVED THAT subject to the approval of the Central Government, if required and pursuant to the provisions of

Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment, modification, variation or re-enactment thereof), the consent of the shareholders of the Company be and is hereby accorded to the appointment of Mr. G. K. Pillai as Managing Director & Chief Executive Officer of the Company, for a period of five years w.e.f. 25.11.2012 on the terms and conditions including remuneration as mentioned in the Explanatory Statement annexed to this notice and the same as specified in the draft agreement to be entered between the Company and Mr. G. K. Pillai, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting and with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Remuneration Committee of Directors constituted by the Board to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment including remuneration as hereinafter appearing in the Explanatory Statement.

RESOLVED FURTHER that the Board be and is hereby authorized to alter and/or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such steps, including seeking approval of the Central Government, if required, as may be necessary to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) read with Directors Relatives (Office or Place of Profit) Amendment Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 and as recommended by the Remuneration Committee and approved by the Board of Directors, the consent of the shareholders of the Company be and is hereby accorded to Mrs. Tanaz C. Doshi, Special Executive of the Company and daughter-in-law of Mr. Chakor L. Doshi, Chairman and the wife of Mr. Chirag C. Doshi, Managing Director of the Company, to hold and continue to hold an office or place of profit on part time basis in the Company w.e.f. 04.05.2012 on the payment of revised Consolidated Salary of ₹ 90,000/- per month plus other benefits and perquisites as mentioned in the Explanatory Statement annexed to this notice, with authority to Remuneration Committee at their discretion to give increment as it may deem fit and proper, and to sanction at its discretion and in due course, promotion to next higher grade together with modifications in benefits and perquisites, subject to the maximum amount of remuneration of ₹ 2,50,000/- p.m. inclusive of all other benefits and perquisites or upto higher

ceiling amount as per any amendments thereof from time to time, and such revision in remuneration together with other perquisites and benefits will be effective from the date as may be decided by Remuneration Committee.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) read with Directors Relatives (Office or Place of Profit) Amendment Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 and as recommended by the Remuneration Committee and approved by the Board of Directors, the consent of the shareholders of the Company be and is hereby accorded to Mrs. Champa C. Doshi, Special Executive (Corporate Affairs) and wife of Mr. Chakor L. Doshi, Chairman and mother of Mr. Chirag C. Doshi, Managing Director of the Company, to hold and continue to hold an office or place of profit on part time basis in the Company w.e.f. 04.05.2012 on the payment of revised Consolidated Salary of ₹ 1,00,000/- per month plus other benefits and perquisites as mentioned in the Explanatory Statement annexed to this notice, with authority to Remuneration Committee at their discretion to give increment as it may deem fit and proper, and to sanction at its discretion and in due course, promotion to next higher grade together with modifications in benefits and perquisites, subject to the maximum amount of remuneration of ₹ 2,50,000/- per month inclusive of all other benefits and perquisites or upto higher ceiling amount as per any amendments thereof from time to time, and such revision in remuneration together with other perquisites and benefits will be effective from the date as may be decided by Remuneration Committee.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT subject to the approval of the Central Government, if required and pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment,

modification, variation or re-enactment thereof), the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Chirag C. Doshi as Managing Director of the Company, for a period of five years w.e.f. 25.11.2012 on the terms and conditions including remuneration as mentioned in the Explanatory Statement annexed to this notice and the same as specified in the draft agreement to be entered between the Company and Mr. Chirag C. Doshi, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting and with the authority to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Remuneration Committee of Directors constituted by the Board to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment as hereinafter appearing in the Explanatory Statement.

By order of the Board

G. S. Agrawal
Vice President (Legal & Taxation) &
Company Secretary

Registered Office:

3, Walchand Terraces
Tardeo Road
Mumbai 400 034

Date : 23rd November, 2012

Notes:

- An Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of special business in respect of item No. 6 to 10 mentioned above are annexed hereto.
- A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 25th January, 2013 to Thursday, the 31st January, 2013. (both days inclusive).
- The Dividend, if declared at the meeting, will be paid on 15.02.2013 i.e. within the stipulated period, to those members who hold shares in Physical Form and whose names appear on the Company's Register of members as on 31st January, 2013. In respect of Shares held in Electronic Form, the dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for this purpose at the end of business hours on 24th January, 2013.

- (e) Members who hold shares in physical form are requested to notify immediately change in their addresses, if any, to the Company's Registrar and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., specifying Registered Folio Number and other relevant details. Members, who hold shares in Electronic Form are requested to notify change in their addresses to Depository Participants with whom they are maintaining their Beneficial Owner Account.
- (f) Members who have not encashed their dividend warrants for the financial years ended 30th September 2005 and thereafter, may immediately approach the Company for revalidation of unclaimed warrants as the amount of dividend remaining unpaid for a period of 7 years shall be transferred to Investors Education & Protection Fund as per provisions of Section 205A of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Investors Education and Protection Fund (IEPF) as above, no claim shall lie against the Company or the IEPF in respect thereof.
- (g) In terms of the amended Clause 5A of the Listing Agreement, the Company has already complied with by sending three Reminders to the respective shareholders and taking further steps to transfer the balance unclaimed shares to the Unclaimed Suspense Account. The Shareholders are requested to claim their Split and Bonus share certificates issued to them by the Company in physical form, who has not yet collected the same. Concerned shareholders are requested to contact the Company at the aforesaid address before 25.01.2013 and lodge their claim for the said shares. The said compliance has also been incorporated in Corporate Governance Report annexed to the Annual Report.
- (h) SEBI vide circular dated May 20, 2009 has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the Company/RTA, whilst lodgment of such shares.
- (i) SEBI vide circular dated January 7, 2010 has made it mandatory for legal heir(s) to furnish a copy of their PAN, duly self attested in the following cases in respect of shares of listed companies held in physical form:
- Deletion of name of the deceased shareholder(s), where the shares are held in the names of two or more shareholders;
 - Transmission of shares in favour of legal heir(s), where deceased shareholder was the sole holder of shares; and
 - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- (j) Ministry of Corporate Affairs (MCA) vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a company would be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic form to its Members.

Further, in terms of Clause 32 of the Listing Agreement which was amended vide Circular no. CIR/CFD/DIL/2011 dated October 5, 2011, issued by SEBI, listed companies are required to supply soft copies of the said documents to all

the shareholders who have registered their email address(es) for the purpose.

Accordingly, the said documents of the Company for the financial year ended September 30, 2012 will be sent in electronic form to those Members who have registered their e-mail address with their DP and made available to the Company by the Depositories.

However, in case a Member wishes to receive a physical copy of the said documents, he is requested to send an e-mail to walchandnagargogreen@linkintime.co.in/ investors@walchand.com duly quoting his DP ID and Client ID or the Folio number, as the case may be.

Members holding shares in physical form are requested to submit their e-mail address to the Registrar, Link Intime India Private Ltd. / the Company, duly quoting their Folio number and Members holding shares in electronic form who have not registered their e-mail address with their DP are requested to do so at the earliest, so as to enable the Company to send the said documents in electronic form, thereby supporting the green initiative of the MCA. Please refer to the letter and E-communication Registration Form enclosed with the Report. Please note that the said Form has also available on the website of the Company viz. www.walchand.com.

- (k) Members, who hold shares in De-materialized form, are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.
- (l) Members are requested to get the Shares transferred in joint names, if shares are held in a single name to avoid the inconvenience and also to send nomination form (available on website of the Company viz. www.walchand.com), if not sent earlier.
- (m) Members/Proxy Holders are requested to produce at the entrance of the hall admission slips duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.

Members desiring any information relating to the annual accounts of the Company are requested to write to the Company at least 10 (Ten) days before the meeting to enable the Company to keep the information ready at the meeting.

- (n) Dr. P. K. Basu and Mr. Dilip J. Thakkar, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. G. K. Pillai and Mr. Chirag C. Doshi, Directors are being appointed/re-appointed in the ensuing Annual General Meeting. Brief resume of appointed/re-appointed Directors, the details of their qualifications and experience, and names of the other public Companies in which they hold Directorships and Memberships/ Chairmanships of Board and its Committees, as stipulated under Clause 49 of the Listing Agreement with Stock Exchange are provided in the Report on Corporate Governance forming part of Annual Report. The Board of Directors recommends their respective appointments/ re-appointments.
- (o) Documents relating to the items mentioned in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on any working day (except Saturday and Sunday) during business hours from 10.30 a.m. to 12.30 p.m.

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

The Board of Directors in their Meeting held on 13th August, 2012 appointed Mr. G. K. Pillai as an Additional Director of the Company w.e.f. 25-11-2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 133 of Articles of Association of the Company, Mr. G. K. Pillai holds the office only upto the date of this Annual General Meeting. A Notice has been received from a member as required under Section 257 of the Companies Act, 1956, alongwith required deposit of ₹ 500/- proposing Mr. G. K. Pillai as candidate for office of the Director.

A brief resume of Mr. G. K. Pillai, details of his qualifications and experience and names of the Companies in which he holds Directorships and Memberships/Chairmanships of Board Committees, is provided in the Report on Corporate Governance forming part of the Annual Report.

Considering his invaluable contribution to Indian Industry and vast experience in Heavy Engineering sector, the Board of Directors recommends the resolution as set out in Item No. 6 of the Notice for his appointment as a Director not liable to retire by rotation for the approval of the shareholders.

Except Mr. G. K. Pillai, no other Director is concerned or interested in the above resolution.

Item No. 7

Mr. G. K. Pillai is an alumnus of Birla Institute of Technology & Science (B.I.T.S.) Pilani and started his career with Instrumentation Ltd., a Government of India Enterprise, in Palakkad, Kerala. After a successful career there for 21 years, he moved on to join a private sector company M/s. Fisher Sanmar Ltd. as Vice President and rose to become its Chief Executive. Having had successful stint in both Public sector and private sector industries, he was selected to head HEC Ltd., an ailing PSU at Ranchi as Chairman cum Managing Director. At HEC, Mr. G. K. Pillai anchored the 'Turn-around' of a sick PSU to a profitable company during his 5 year term. Upon superannuating from HEC he joined WIL on 27th February, 2012.

A brief resume of Mr. G. K. Pillai, details of his qualifications and experience and names of the Companies in which he holds Directorships and Memberships/Chairmanships of Board Committees, is provided in the Report on Corporate Governance forming part of the Annual Report.

The Board of Directors recommends the resolution as set out in Item No. 7 of the Notice for appointment of Mr. G. K. Pillai as Managing Director & Chief Executive Officer of the Company for a period of 5 years w.e.f. 25th November, 2012 on the following terms and conditions for approval of the shareholders of the Company.

REMUNERATION:

SALARY: ₹ 4,00,000/- per month.

(In the grade of ₹ 4,00,000/- to ₹ 8,00,000/- per month).

The Chairman of the Board has been authorised to sanction annual increment within above grade.

COMMISSION:

Mr. G. K. Pillai would be entitled to a Commission of 1% (One Percent) of the net profits of the Company computed in accordance with Section 349 of the Companies Act, 1956.

SPECIAL ALLOWANCE:

Special Allowance of ₹ 2,92,000/- per month

PERQUISITES:

In addition to Salary and Commission, Mr. G. K. Pillai would be entitled to the following perquisites:

HOUSING/RENT FREE ACCOMMODATION:

House Rent Allowance/Rent Free Accommodation (including Water and Electricity Charges) not exceeding ₹ 70,000/- per month.

LEAVE TRAVEL CONCESSION/ALLOWANCE:

Leave Travel Concession/Allowance for self and family once in a year subject to the ceiling of one month's salary per annum.

"Family" means 'spouse, dependent children and parents.'

LEAVE:

Leave, Leave accumulation and encashment as per Rules of the Company.

MEDICAL ALLOWANCE/REIMBURSEMENT:

Medical Allowance/Reimbursement of expenses incurred by the Managing Director and Chief Executive Officer for Self and his family (spouse, dependent children and parents) subject to the ceiling of one month's salary in a year or 5 months' salary over a period of 5 years.

FREE USE OF CAR:

The Company shall provide one car with driver or reimburse the Driver's Salary, for the Company's business which will not be considered as a perquisite and use of car for private purposes shall be billed by the Company.

GAS, PERSONAL ACCIDENT INSURANCE, FURNISHING, ETC.

The Company shall reimburse expenses or pay allowance for utilization of Gas, Furnishing, Repairs, Personal Accident Insurance Premium, Membership of Professional Bodies and such other perquisites and/or allowances with overall ceiling of one month's average salary per year. The said perquisites and allowances shall be calculated wherever applicable as per Income Tax Act, 1961 and any rules thereunder. In the absence of any Rules, such perquisites shall be considered at actual cost.

COMMUNICATION FACILITIES:

The Company shall provide free of charge communication facilities such as telephone, mobile, internet etc. the expenditure on which shall not be considered as a perquisite. However, long distance personal calls shall be billed by the Company.

MINIMUM REMUNERATION :

The remuneration specified above shall continue to be paid to Mr. G. K. Pillai as and by way of Minimum Remuneration as per the provisions of Schedule XIII of the Companies Act, 1956 in case of loss or inadequacy of profit during the relevant period of tenure of his office.

Mr. G. K. Pillai shall not be subject to retirement by rotation during his tenure as Managing Director and Chief Executive Officer in terms of Article 148 of Articles of Association of the Company.

Except Mr. G. K. Pillai, no other Director is concerned or interested in the above resolution.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the terms of contract between the Company and Mr. G. K. Pillai under Section 302 of the Companies Act, 1956 and the same is circulated to the members accordingly.

Item No. 8

Mrs. Tanaz C. Doshi wife of Mr. Chirag C. Doshi, Managing Director and daughter-in-law of Mr. Chakor L. Doshi, Chairman of the Company, has been associated with the Company since last 5 years. She joined the Company as 'Executive' of the Company on part time basis w.e.f. 01.11.2006. The Board of Director in their Meeting held on 25.11.2009 approved revision in remuneration of Mrs. Tanaz C. Doshi within the ceiling limit of ₹ 50,000/- p.m., with the designation 'Special Executive' of the Company, which was subsequently approved by the shareholders by passing Special resolution in the 101st Annual General Meeting held on 20th January, 2010.

Mrs. Tanaz C. Doshi is a graduate in Arts and has vast experience in the field of Advertising, Publicity, Event Management and Social Service and the services of Mrs. Tanaz C. Doshi are beneficial to the Company.

Considering the services being rendered by her and recent amendments made in the provisions of the Companies Act, 1956 and Rules made thereunder for enhancement in the ceiling limits for payment of remuneration to relatives of Directors of the company falling u/s 314(1B) of the Companies Act, 1956, the Board of Directors considers and recommends the resolution as set out in the Item no. 8 of the Notice for revision in the remuneration package of Mrs. Tanaz C. Doshi, Special Executive of the Company as stated below for approval of the shareholders of the Company.

- (a) Consolidated Salary: ₹ 90,000/- per month with increments as the Remuneration Committee may fix from year to year such that consolidated salary including perquisites shall not exceed ₹ 2,50,000/- per month.
- (b) Other benefits and perquisites:
 1. Provident Fund: 12 % of Basic Salary.
 2. Gratuity: As per Payment of Gratuity Act, 1972.
 3. House Rent Allowance: ₹ 54,000/- per month.
 4. Medical: ₹ 7,500/- per annum.
 5. Leave Travel Assistance: One month's salary once in a year as per Company's Rules.
 6. Leave: As per Company' Rules
 7. Conveyance: Company car will be provided and reimbursement of salary of driver will be made.
 8. Telephone: Expenses towards usage of telephones installed at residence will be reimbursed by the Company.

Except Mr. Chakor L. Doshi, Chairman and Mr. Chirag C. Doshi, Managing Director no other Director is concerned or interested in the above resolution.

Item No. 9

Mrs. Champa C. Doshi wife of Mr. Chakor L. Doshi, Chairman and Mother of Mr. Chirag C. Doshi, Managing Director of the Company, has been associated with the Company since last 17 years. She has joined the Company as 'Executive' of the Company on part time basis w.e.f. 26.08.1994. The Board of Director in their Meeting held on 17.12.2003 approved revision in remuneration of Mrs. Champa C. Doshi within the ceiling limit of ₹ 50,000/- p.m.,

with the designation 'Special Executive' (Corporate Affairs) of the Company, which was subsequently approved by the shareholders by passing Special resolution in the 95th Annual General Meeting held on 10th February, 2004.

Mrs. Champa C. Doshi is a graduate of St. Xavier's College and has good experience in Commercials and Corporate matters and the services of Mrs. Champa C. Doshi are beneficial to the Company.

Considering the services being rendered by her and recent amendments made in the provisions of the Companies Act, 1956 and Rules made thereunder for enhancement in the ceiling limits for payment of remuneration to relatives of Directors of the company falling u/s 314(1B) of the Companies Act, 1956, Board of Directors considers and recommends the resolution as set out in the Item No. 9 of the Notice for revision in the remuneration package of Mrs. Champa C. Doshi, Special Executive (Corporate Affairs) of the Company as stated below for approval of the shareholders of the Company.

- (a) Consolidated Salary : ₹ 1,00,000/- per month with increments as the Remuneration Committee may fix from year to year such that consolidated salary including perquisites shall not exceed ₹ 2,50,000/- per month.
- (b) Other benefits and perquisites:
 1. Provident Fund: 12 % of Basic Salary.
 2. Gratuity: As per Payment of Gratuity Act, 1972.
 3. House Rent Allowance: ₹ 60,000/- per month.
 4. Medical: ₹ 8,333/- per annum.
 5. Leave Travel Assistance: One month's salary once in a year as per Company's Rules.
 6. Leave: As per Company' Rules
 7. Conveyance: Company car will be provided and reimbursement of salary of driver will be made.
 8. Telephone: Expenses towards usage of telephones installed at residence will be reimbursed by the Company.

Except Mr. Chakor L. Doshi, Chairman and Mr. Chirag C. Doshi, Managing Director no other Director is concerned or interested in the above resolution.

Item No. 10

Mr. Chirag C. Doshi has been working with the Company since 10th January, 1997 in various capacities and was appointed as President w.e.f. 01.02.2005 and lastly, the members of the Company in the 99th Annual General Meeting held on January 30th, 2008, appointed Mr. Chirag C. Doshi as Managing Director of the Company for a period of 5 years from 25th November, 2007 to 24th November, 2012.

A brief resume of Mr. Chirag C. Doshi, details of his qualifications and experience and names of the Companies in which he holds Directorships and Memberships/Chairmanships of Board Committees, is provided in the Report on Corporate Governance forming part of the Annual Report.

Taking into consideration the diverse and complex business activities, plans for expansion and diversification of the Company and to meet global business challenges and considering excellent contribution made by Mr. Chirag C Doshi in growth of the company during his association with the Company, the Board of Directors considers and recommends the resolution as set out