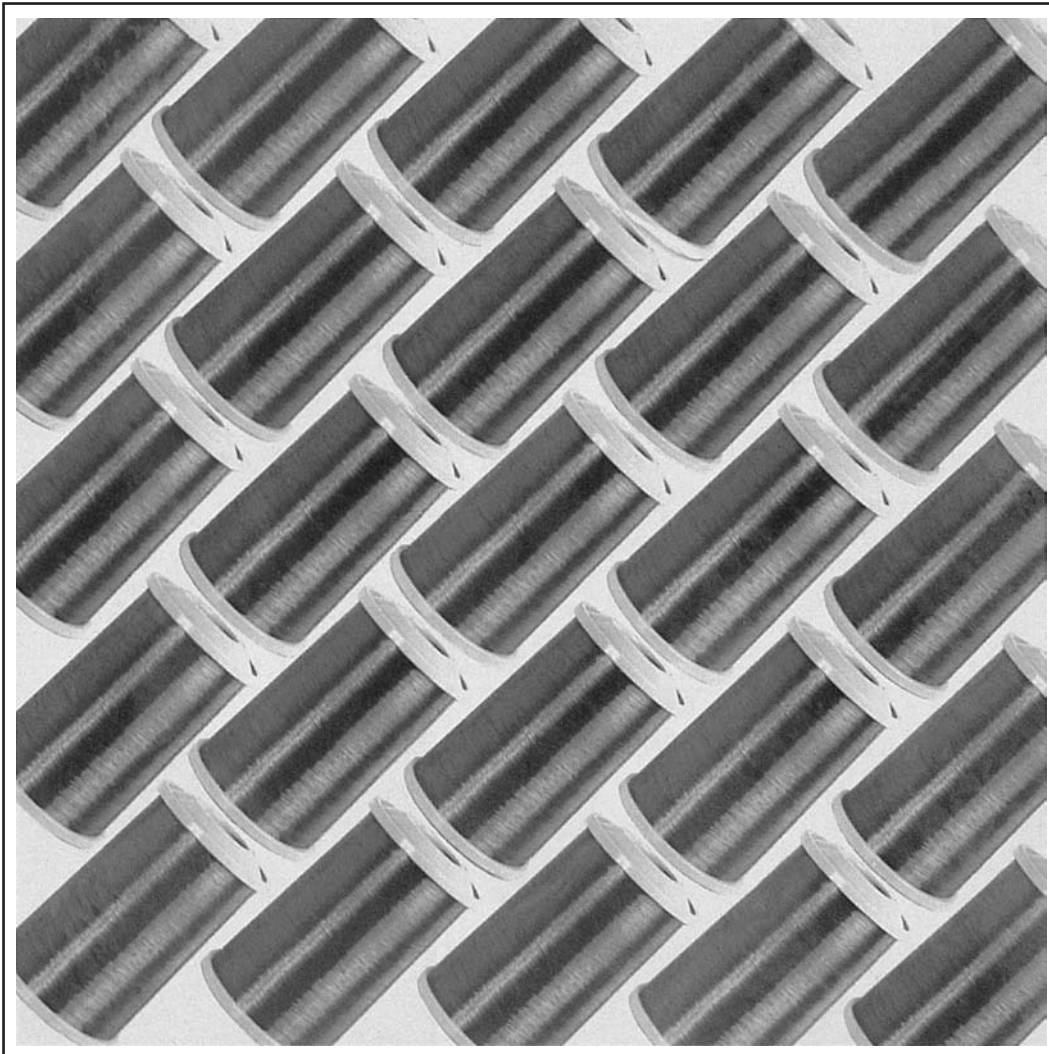


19th

Annual Report
2007-2008



PRECISION WIRES INDIA LIMITED

Financial Highlights

Rupees in Lacs

	2007/08	2006/07	2005/06	2004/05	2003/04
Equity Share Capital (Paid up)	1156.36	1046.36	1046.36	1046.36	1046.36
Reserves & Surplus	13015.32	9938.94	8734.27	7347.02	6336.41
Current Assets	22037.92	19180.25	14921.13	10980.90	7855.33
Current Liabilities	11868.96	11108.52	10854.76	6595.64	4338.43
Inventories	5430.45	3598.28	3375.98	2026.87	1829.82
Sundry Debtors	11546.42	11121.88	7993.86	5855.99	4554.57
Creditors	11352.26	10606.99	10410.63	6341.06	4108.51
Secured Loans	7338.04	6086.19	3554.44	1144.08	810.00
Interest Paid	463.19	525.56	150.91	91.10	63.25
Depreciation	900.25	751.30	463.70	460.51	367.26
Income Tax	722.23	543.14	634.45	676.03	484.29
Provision for Deferred Tax for the year - Expense/(Income)	200.97	324.38	184.70	55.63	(7.63)
Dividend paid	% 36	35	35	34	30
Book Value of Shares	Rs. 122.55	104.99	93.44	80.08	70.32
E.P.S.	Rs. 15.16	16.04	17.25	14.64	12.18
No. of Shareholders	**7884	**7259	**7825	**8857	** 9889

** Approximate



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
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.

ADMINISTRATIVE OFFICE AND WORKS :

UNIT I :
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, G.I.D.C.,
N.H. No. 8, Palej - 392 220.
Dist. Bharuch (Gujarat)

UNIT II : ATLAS WIRES

Plot Survey No. 125/2, 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)

REGISTRARS AND TRANSFER AGENTS :

Sharepro Services (India) Private Limited
Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai - 400 099. • Tel No. : 022-6772 0300 • Fax No. : 022-28375646
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 Nineteenth Annual General Meeting of the Members of Precision Wires India Limited will be held on Saturday, 27th September, 2008 at 02.30 P.M at the Hall of The Mysore Association, 1st Floor 393, Bhaudaji 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, 2008, 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 M. Crishna who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri. A. P. Kothari 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.

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 modification thereto and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves the re-appointment of Shri Mahendra R. Mehta as Chairman and Managing Director of the Company for a period of Three years with effect from 1st October, 2008 to 30th September, 2011, on remuneration and the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Letter of Appointment dated 28.04.2008, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 28.04.2008 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 Mahendra R. 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 Mahendra R. 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 Mahendra R. Mehta as Chairman & Managing 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 Mahendra R. Mehta as Chairman & Managing 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 in the event of any statutory amendments or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, or increase the remuneration including salary, commission, perquisites, allowances etc within such prescribed limits or ceiling and the aforesaid appointment letter to Shri Mahendra R. Mehta be suitably amended to give effect to such modifications, relaxations or variation without any further reference to the Company.

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.

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
26th June, 2008

**NOTICE TO MEMBERS****Notes :-**

- 1) Relevant details in respect of Item Nos. 3 and 4 pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- 2) An Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 and relevant details in respect thereof pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- 3) 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.
- 4) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2008 to 27th September, 2008 (both days inclusive).
- 5) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Andheri (East), Mumbai - 400 099, the Registrar and Share Transfer Agents of the Company.
- 6) The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 10th October, 2008.
- 7) 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 31.03.1996, 31.03.1997, 31.03.1998, 31.03.1999 and 1999-2000 (Interim & Final) have been transferred to IEPF of the Central Government.

Information in respect of such unclaimed dividend 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
31.03.2001	26.09.2001	25.09.2008	25.10.2008
31.03.2002	24.01.2002 (Interim) (No further dividend was declared of F.Y. ended 31.03.2002)	23.01.2009	22.02.2009
31.03.2003	22.09.2003	21.09.2010	21.10.2010
31.03.2004	23.01.2004 (Interim)	22.01.2011	22.02.2011
	19.08.2004 (Final)	18.08.2011	18.09.2011
31.03.2005	27.01.2005 (Interim)	26.01.2012	26.02.2012
	28.07.2005	27.07.2012	27.08.2012
31.03.2006	31.08.2006	30.08.2013	30.09.2013
31.03.2007	26.09.2007	25.09.2014	25.10.2014

* Indicative dates, actual dates may vary.

Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2001 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 notify immediately any change of address to their Depository Participant (DPs) in respect of the electronic shares account and to the Registrar and Share Transfer Agent of the Company in respect of physical share accounts.
- 9) Members are requested to carry their Printed Annual Report at the time of attending the Meeting.

NOTICE TO MEMBERS

Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 (The Act) and pursuant to clause 49 of the listing agreement.
Item No. 3 & 4 :

Details of the Directors seeking reappointment at the ensuing Annual General Meeting.

NAME OF THE DIRECTOR	Shri. Vijay M. Crishna	Shri Ashwin P. Kothari
DATE OF BIRTH & AGE	8th March, 1945 AGE: 63 YEARS	14th September, 1942 AGE: 65 Years
DATE OF APPOINTMENT	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 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting.
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 2008	(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.	a) Aroni Commercials Ltd. b) 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) Jam-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, 2008	Member - Audit Committee of Godrej Upstream Ltd.	Chairman- Shareholders Grievance Committee - Aroni Commercial Ltd.
SHAREHOLDING IN THE COMPANY	NIL	NIL

Shri Vijay M. Crishna and Shri A. 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 A. P. Kothari.



NOTICE TO MEMBERS

Item No. 6**Re-Appointment of Shri Mahendra R. Mehta, Chairman & Managing 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 Mahendra R. Mehta as Chairman & Managing Director of the Company. The present Term of Office of Shri. Mahendra R. Mehta as Chairman & Managing Director will be expiring on 30th September, 2008. The Board of Directors of the Company at its Meeting held on 28th April, 2008 has subject to the approval of the Members of the Company in General Meeting and any other approval as may be necessary, re-appointed Shri Mahendra R. Mehta, as Chairman & Managing Director for a further period of Three Years with effect from 01.10.2008 on the remuneration as approved and recommended by the Remuneration Committee.

Accordingly, a Letter of Re-appointment dated 28.04.2008 has been issued to Shri. Mahendra R. Mehta.

The Principal Terms and conditions as contained in the said Letter of Appointment dated 28.04.2008 are as under :

Salary :

Rs. 2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) per month,

Period :

For 3 Years with effect from 01.10.2008.

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 Mahendra R. Mehta.

Perquisites

1. Housing :
Rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Chairman & Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. Medical Re-imburement :
Re-imburement of medical expenses incurred for Shri Mahendra R. Mehta and family.
3. Reimbursement of gas, electricity, water charges and furnishings.
4. Leave travel concession for Shri Mahendra R. 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. 5,000/- 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 re-imburement 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 Mahendra R. 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 Chairman and Managing Director.

In the event of loss or inadequacy of profits in any financial year of the Company during the currency of tenure of the Chairman & Managing 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 Mahendra R. Mehta is functioning as Chairman & Managing 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 Chairman & Managing Director shall be entitled to re-imburement 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.

Remuneration Committee of the Board has approved the terms of remuneration payable to Shri Mahendra R. Mehta, as mentioned hereinabove at its meeting held on 28th April, 2008, which is in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

NOTICE TO MEMBERS

MEMORANDUM OF CONCERN OR INTEREST

Shri Mahendra R. Mehta, is concerned with or interested in the Resolution at item No. 6 as also in his Letter of Appointment dated 28.04.2008 referred in the said item aforesaid as they relate to the terms of his own Re-appointment and Remuneration.

Shri Milan M. Mehta, Vice Chairman & Managing Director and Shri Deepak M. Mehta, Whole-time Director may be deemed to be concerned with or interested in the above Re-appointment of Shri Mahendra R. Mehta as Chairman & Managing Director as they are his relatives.

Save as aforesaid, none of other Directors are in any way concerned or interested in the Resolution at item no. 6 of the accompanying Notice.

The Copy of the Letter of Appointment dated 28.04.2008 issued to Shri Mahendra R. Mehta, referred in the item No. 6 of Agenda of the accompanying Notice, is 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 on Saturday.

Your Directors commend the said Resolution as Special Resolution 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
26th June, 2008



DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Nineteenth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March, 2008.

1. Financial Results :

	(Rupees in Lacs)	
	2007-08	2006-07
Sales (including Excise Duty)	68937.16	69176.18
Less : Excise Duty	(11537.75)	(10621.04)
Sales (Net of Excise Duty)	<u>57399.41</u>	<u>58555.14</u>
Operating Profit	3913.53	3773.86
Add : Other Income	97.89	76.22
Profit before Interest, Depreciation & Taxes	4011.42	3850.08
Interest	(463.19)	(525.55)
Depreciation	(900.25)	(751.30)
Profit before Taxes & Extra-ordinary Items	2647.98	2573.23
Extra-ordinary Items	-	(27.63)
Profit before Taxes	2647.98	2545.60
Provision for Income Tax	(701.00)	(534.00)
Provision for Wealth Tax	(0.31)	(0.28)
Provision for Deferred Tax	(200.98)	(324.28)
Provision for Fringe Benefit Tax	(10.50)	(10.00)
Prior Years' Tax Adjustments	(10.42)	1.13
Profit after Tax	1724.77	1678.17
Add : Balance brought forward from last Account	351.95	347.29
Balance available : (A)	<u>2076.72</u>	<u>2025.46</u>
Which the Board of Directors have appropriated as under :		
(i) Proposed Dividend on Equity Shares for the year @ 36% (@ 35%)	416.29	404.73
(ii) Corporate Tax on Dividend	70.74	68.78
(iii) Transfer to General Reserve	1200.00	1200.00
(B)	<u>1687.03</u>	<u>1673.51</u>
Balance carried forwarded to Profit & Loss Account (A) – (B)	<u>389.69</u>	<u>351.95</u>

2. Dividend :

The Directors are pleased to recommend Dividend @ 36% for the year ended 31st March 2008, subject to the approval of Shareholders at the ensuing Annual General Meeting.

3. Operations :

During the year under review, total production of finished goods was about 20262 MT, an increase of approx 15%. Sales income gross & net of taxes was Rs. 68937 & Rs. 57399 lacs respectively. Price of our primary input remained volatile during the year.

You will recall, your company commenced for the first time during 06-07, production of Continuously Transposed Conductors (CTC) with foreign technology. Entire requirement of CTC was met through imports till then. Production in the first year was low due to teething troubles.

During the second half of the year under review, the position improved and trend during Quarter I of 08-09 is more encouraging. Due to sub-prime crisis, high cost of energy and inflationary pressures on the economy, for a brief period there may be down turn in the over all growth of the economy. However, Power Sector continues to enjoy priority of the Government with a view to tackle the endemic problem of power shortage in the Country.

Your Technology Transfer Agreement (Agreement) is valid till end of calendar year 2010. During the year under report, the Italian collaborator was taken over, by Essex - a U S multinational. Recently Korean multinational, L G, took over Essex. The Agreement was amended, during March 2008, granting rights to your Company to export the product anywhere in the world.

Your Company continued to invest in Capex during the year under report. Some equipments have also been ordered for delivery during 2008-09. We are an Electric-Power-Deficit nation and therefore massive investment in Electric-Power-Sector enjoys top priority of the Government which, in turn, will induce faster growth of Electrical Equipment Manufacturing Sector. Your Company primarily caters to the requirements of electrical equipment manufacturing industry.

During the year under report, competition was more intense and there was pressure on margin. Thrust on exports has been maintained during the year.

Your Company discharged all its financial obligations in time without any default or delay, including payment of Term Loan Instalments and interest.

Out of a consignment of imported copper rods (E C Grade) from Australia, and cleared at Nhava Sheva (JNPT) Port, two trucks containing total 8 coils of aggregate net total weight of 33404 Kgs did not reach our Silvassa plant. Police Complaint was filed. The matter is sub-judice with Hon. Judicial Magistrate, First Class, at Uran - Navi Mumbai. The goods were insured and amount of Rs. 95.92 lacs claimed is accounted under Loans and Advances (Current Assets).

As you are aware, the Principal input of your Company is Copper. During the year under review, there has been substantial volatility in price thereof. To protect the interests of the Company and with required statutory permissions, your Company entered into transactions for hedging Copper, which are not of speculative / trading nature. The company does not enter into derivative transactions for trading or speculative purposes and all derivative transactions entered into by the company are to mitigate or offset the risk arising from the normal business activity.

DIRECTORS' REPORT

We invite your attention to Para 4 of the Auditors' Report regarding Marked to Market Losses. Marked to Market losses on unsquared Copper Hedging transactions as at 31st March, 2008, stood at Rs. 218.78 lacs. The same have not been provided as such losses are expected to flow back through future cash flows. Accounting Standard (AS 30) issued by Institute of Chartered Accountants of India is not Mandatory as yet. However, the Company intends to adopt the same in due course.

The net loss on Copper Hedging transactions squared up during the year is Rs 4,89,27,173/- (Previous year - Nil) and the same is included in the cost of Material Consumed (Schedule 11-B to the Profit and Loss Account for the year).

Paid-Up Capital of your Company increased from Rs. 1046 Lacs to Rs.1156 lacs due to conversion of 11 lacs Fully Convertible Debentures into Fully Paid Equity Shares during the year under review.

Despite the rising cost, PBDIT has been maintained, in fact is marginally slightly higher. There is substantial improvement in Debt Equity Ratio to 0.56 (0.77) and Reserves & Surplus have gone up.

4. Listing / Dematerialisation of the Company's Equity Shares :

The Equity Shares of your Company continue to be listed at the Bombay Stock Exchange Ltd, (BSE) and National Stock Exchange of India Ltd (NSE) and required Annual Listing Fees have been paid.

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, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023, Under ISIN No. INE372C01011 common for both.

5. Particulars of Employees :

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, particulars of the employees are given in Annexure I hereto and form part of this report.

6. 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.

7. 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 2008-09. The Auditors have u/s 224 (1B) of the Companies Act 1956 furnished Certificate of Eligibility for reappointment.

8. 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.

The Company has framed a Code of Conduct for all its Board Members and Senior Management Personnel of the Company, who have affirmed compliance thereto. The said Code of Conduct have been posted on the Company's website. The Declaration to this effect signed by the CEO are made a part of the Annual Report.

9. 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 :

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and 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 the end of financial year ended 31st March, 2008 and of the profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care 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;
- iv. that the directors had prepared the annual accounts for the year ended 31st March, 2008, on a going concern basis.

10. Directors :

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

11. 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, Shareholders 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 26th June, 2008

**DIRECTORS' REPORT****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 31st March, 2008.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of Employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	79	—	Chairman & Managing Director	June 1975	56	58,55,372 #	Chairman & M.D of Erstwhile Atlas Wires Ltd.
Shri Deepak M. Mehta	51	B.Com	Whole-time Director	January 1989	28	65,54,244	Whole time Director of Erstwhile Atlas Wires Ltd.
Shri Milan M. Mehta	45	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	23	68,30,395 #	Technical Director of Erstwhile Atlas Wires Ltd.

Notes :

- (1) All the above persons are relatives of each other
- (2) The above employments are contractual in nature.
- (3) 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 to 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. 3,40,385/- 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. Technology Absorption

Efforts made technology absorption - as per Form B are given below :

FORM "B"**Research and Development (R&D) :**

- | | |
|--|---|
| 1) Special areas in which R & D Carried out by the Company | More Manpower Training for reduction of waste and scrap of Copper generated during process while producing CTC. |
| 2) Benefits derived as a result of the above R & D | Nil |
| 3) Future plan of action | Please refer 2 (1) above |
| 4) Expenditure on R & D | NIL. |

Technology Absorption, Adaptation and Innovation :

- | | |
|---|--|
| 1. Efforts in brief made towards technology absorption and innovation | Manpower Training and application with a view to acquire international quality standards and reduce scrap generated while producing CTC. |
| 2. Benefits derived as a result of the above efforts. | Improved productivity and quality of new products introduced in F. Y. 2006-07. |
| 3. Information about Imported Technology | Not Applicable. |

3. Foreign Exchange Earnings and Outgo :

Earnings	Rs. 839.60 (Rs. 227.66) Lacs
Outgoings	Rs. 12498.45 (Rs 6118.65) Lacs

Declaration on Compliance of the Company's Code of Conduct

This is to certify that the Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

Mumbai,
Dated 26th June, 2008

Mahendra R. Mehta
Chairman & CEO

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 1ST April, 2007 TO 31ST MARCH, 2008
(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:

Composition and category of Directors			Member of other Boards or Other Board Committee		Attendance		
Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meeting of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R. Mehta	Chairman and Managing Director	Promoter, Executive	-	-	5	5	Yes
Shri Milan M. Mehta	Vice-Chairman and Managing Director	Promoter, Executive	1	-	5	4	Yes
Shri Deepak M. Mehta	Whole-time Director	Promoter, Executive	-	-	5	4	Yes
Shri Vijay M. Krishna	Director	Non-Executive, Independent	6	1	5	1	No
Shri P. N. Vencatesan	Director	Non-Executive, Independent	3	3	5	3	Yes
Shri P. R. Merchant	Director	Non-Executive, Independent	3	7	5	5	No
Shri A P Kothari	Director	Non-Executive, Independent	11	1	5	3	No

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

Number of Board Meetings held and dates on which held :

- 5 Meetings of the Board of Directors were held, on 23.05.2007, 11.06.2007, 26.07.2007, 27.10.2007 and 30.01.2008 and the gap between two meetings did not exceed four months.
- Annual General Meeting (AGM) of the company was held on 26.09.2007.

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:

- a) 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.
- b) To fix audit fees of the internal auditors and to approve payment for any other services.
- c) 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.
- d) To look into the various aspects envisaged by relevant SEBI guidelines in this regard.

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

During the year 5 Meetings of the Audit Committee of the Board of Directors were held, on 23.05.2007, 11.06.2007, 26.07.2007, 27.10.2007 and 30.01.2008

Name of the Members	Category	Audit Committee Meeting	
		Held	Attended
Shri P. N. Vencatesan, Chairman (Chartered Accountant)	Independent, Non-Executive	5	3
Shri P. R. Merchant (Retired Senior Banker)	Independent, Non-Executive	5	5
Shri A. P. Kothari (Technocrat-Entrepreneur)	Independent, Non-Executive	5	3

4. Remuneration Committee :

Brief description of Terms of Reference:

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.

Composition, name of members, Chairperson and attendance :

The Remuneration Committee comprises of three Independent & Non-Executive Directors – Shri P N Vencatesan (Chairman), Shri P R Merchant and Shri A P. Kothari. During the year 1 (One) meeting of the Remuneration Committee was held.

**Remuneration Policy :**

The Executive Directors' remuneration is approved by the shareholders at their Meetings on the basis of recommendations of the Remuneration Committee and the Board of Directors. The recommendations by these bodies are based on trends in the industry, appointee's qualifications, experience and past performance.

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 :

i) Gross Remuneration paid / payable to Executive Directors for financial year 2007-08.

Name of Director and Service Contract	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.
Shri Mahendra R Mehta (5 Years w.e.f. 01.10.2003)	2400000	2841901	325470	*403385	5970756
Shri Milan M Mehta (3 years w.e.f. 01.04.2006)	3120000	2841901	494094	**714785	7170780
Shri Deepak M Mehta (Re-appointed w.e.f. 01.08.2007 for 3 years)	2400000	2841901	1024343	288000	6554244

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

** Includes Provision for Gratuity of Rs. 340385/-.

No sitting fees are paid to Executive Directors for attending Meetings of Board or Committees of Board.

ii) Remuneration paid to Non-Executive Directors for financial year 2007-08.

	Shri Vijay M. Crishna	Shri P. N. Vencatesan	Shri P. R. Merchant	Shri A. P. Kothari
Sitting Fees for attending Board and Committee Meetings	10000	61000	90000	51000

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

Name of non-executive director heading the committee	: Shri P. N. Vencatesan
Name and designation of compliance officer	: Shri S. G. Sathe, Company Secretary
Number of complaints received up to 31.3.2008	: 08 (Eight)
Number not solved to the satisfaction of shareholders as on 31.03.2008	: NIL
No of pending complaints	: NIL

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.

6. a) General Body Meetings :**i. Location and time where the last three Annual General Meetings were held & special resolutions passed thereat :**

Financial Year	Date	Time	Location	No. of Special Resolutions passed at the AGMs
2006-07	26.09.07	02.30 p.m.	Hall of Mysore Association, 1 st Floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai-400019.	TWO
2005-06	31.08.06	10.30 a.m.	Hall of Mysore Association, 1 st Floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai-400019.	NIL
2004-05	28.07.05	10.00 a.m.	Hall of Mysore Association, 1 st Floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai-400019.	NIL

ii. Resolutions by Postal Ballots, etc. :

No Special Resolutions, requiring voting through postal ballots were put through last year and no such resolutions are proposed to be put through at the ensuing Annual General Meeting of the Company.

7. Disclosures :**i. Materially significant related party transactions:**

Transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. are disclosed in Notes to Accounts as per requirements of Accounting Standard -18. None of these transactions have potential conflict with interest of the Company at large.

ii. No penalties have been imposed and no strictures have been passed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years and there are no instances of non-compliance of relevant regulatory requirements by the Company.

- iii. As a matter of policy, all employees of the company have free access to all executive and non-executive directors of the company, including the Audit Committee, and are encouraged to report any ultra virus acts or omissions.
- iv. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreements. Regarding the status of the compliance with the Non-mandatory requirements of the said Clause, the Company has constituted a Remuneration Committee comprising of Non-Executive & Independent Directors.

8. Means of communication :

Quarterly / Annual Results are filed with NSE/BSE and are published in English and Vernacular news papers within the prescribed time limits.

The quarterly and annual financial results are normally published in the Free Press Journal and vernacular "Navshakti" news papers.

The Quarterly Financial Statements, Corporate Governance Reports & Quarterly Shareholding Pattern statements and Annual Report are also available on the EDIFAR website : <http://sebidifar.nic.in> and on the Company's website : <http://precisionwires.com>

9. General Shareholder Information :

i. Annual General Meeting

Day, Date, Month & Time : Saturday, 27th September, 2008 AT 02.30 P.M.

Venue : Hall of Mysore Association, 1st floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle) Matunga (Central Railway), Mumbai-400019.

ii. Financial Calender (tentative)

Financial Year 1st April 2008 to 31st March, 2009.

Quarterly Results:

Unaudited quarterly results for the first three Quarters will be declared within one month from the close of each quarter. Company generally declares audited results within three months from the end of the financial year and hence it generally does not declare unaudited results for the fourth quarter within one month from end of fourth quarter, as permitted by Clause 41 of the Listing Agreement.

- iii. **Date of Book closure** : From 20.09.2008 to 27.09.2008 (both days inclusive).

iv. Dividend payment date :

Dividend on fully paid Equity shares, subject to the approval of Members at the ensuing Annual General Meeting, @ 36 % i.e. Rs. 3.60 per fully paid equity share of Rs. 10/- each shall be paid on or before 27th October, 2008.

v. Listing on Stock Exchanges :

The Equity shares of the Company are listed on Mumbai Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid annual listing fees to each of the

above Stock Exchanges for the financial year 2008-09. The Company's shares are regularly traded on the Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

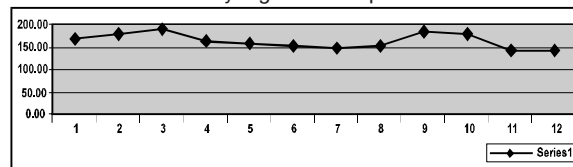
- vi. **Stock Code** : BSE - 523539, NSE SYMBOL - PRECWIRE

- vii. Market Price Data - High, Low during each month in last financial year:

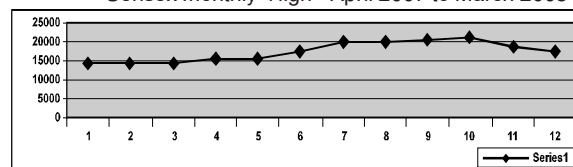
Month & Year	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
Apr-07	166.00	135.10	170.00	135.00	14383.72	12425.52
May-07	179.00	144.20	178.80	145.00	14576.37	13554.34
Jun-07	187.50	145.00	190.00	145.05	14683.36	13946.99
Jul-07	163.00	140.00	179.50	135.00	15868.85	14638.88
Aug-07	160.00	121.00	152.00	125.55	15542.40	13779.88
Sep-07	151.90	129.10	169.65	129.80	17361.47	15323.05
Oct-07	146.70	121.00	145.70	125.60	20238.16	17144.58
Nov-07	154.00	128.10	147.85	126.00	20204.21	18182.83
Dec-07	185.90	134.65	183.75	134.20	20498.11	18886.40
Jan-08	180.00	107.00	180.00	110.00	21206.77	15332.42
Feb-08	140.00	113.05	144.00	115.00	18895.34	16457.74
Mar-08	144.00	82.05	122.90	85.00	17227.56	14677.24

viii. Performance in comparison to Sensex :

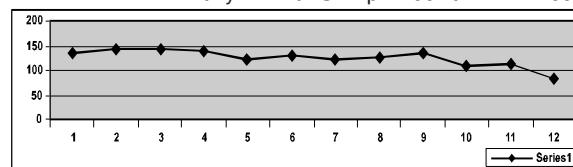
PWIL monthly High at BSE April 2007 to March 2008



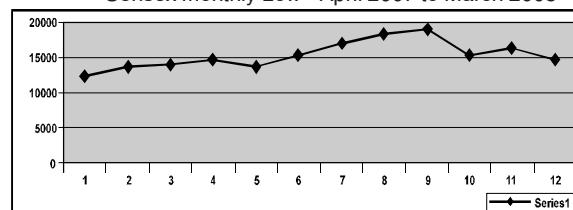
Sensex monthly High - April 2007 to March 2008



PWIL monthly Low at BSE April 2007 to March 2008



Sensex monthly Low - April 2007 to March 2008



**ix. Registrar and Transfer Agents:**

M/s. Sharepro Services (India) Private Ltd.
Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai 400 099,
Tel No. : (022) 6772 0300 • Fax No. (022)28375646

x. Share Transfer System :

Transfers in physical form are lodged with the Company / Transfer Agents. The Transfer Agents have complete computerized facility for processing the transfers. After verification of the transfers lodged in physical form, the transfer agents prepare a statement of transfers which is reviewed by the Shareholders Grievances Committee of Directors and if in order, the transfers are approved, once in a fortnight. The share certificates duly transferred are then sent by the transfer agents to the transferees, which completes the transaction. In case of any complaint from shareholders for delay in transfer, the matter is actively followed up by the company with the transfer agents and the same is resolved to the satisfaction of the shareholder. Transfer of dematerialized shares takes place under the standard system of CDSL / NSDL.

xi. Distribution of holding as on 31.03.2008

No. of Shares		No. of Shareholders		No. of Shares	
From	To	Number	%	Number	%
Less than 501		7184	91.14	903288	7.81
501 - 1000		264	3.35	213294	1.84
1001 - 2000		134	1.70	206236	1.79
2001 - 3000		76	0.96	194070	1.68
3001 - 4000		47	0.60	167495	1.45
4001 - 5000		32	0.41	148705	1.29
5001 - 10000		63	0.80	466401	4.03
10001 & above		82	1.04	9264134	80.11
TOTAL		7882	100.00	11563623	100.00

xii. Dematerialisation of shares and liquidity :

The Equity Shares of the Company are in compulsory demat segment. The same are registered with both National Securities Depository Ltd., Trade World, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28th floor, Dalal Street, Mumbai 400 023, under ISIN No.INE372C01011, common for both. 43.09 % of Company's Share Capital are dematerialised as on 31.03.2008.

xiii. Outstanding GDRs / ADRs / Warrants and Convertible instruments etc -

The Company has not issued any GDRs or ADRs.

During the financial year 2006-07, the Company had allotted Eleven Lacs fully Convertible Debentures (FCD) @ Rs. 177.15 per FCD which have been converted, on or about 23rd May, 2007, into fully paid Equity Shares @ Rs. 10/- each and consequently the Equity share capital has increased from 1046.36 Lacs to 1156.36 Lacs.

xiv. Plant Locations :

Unit I, Unit II (ATLAS WIRES, SILVASSA) & Unit III of the Company are located at Plot No. 125/2, Amla Hanuman (66KVA) Road, Silvassa 396 230 U.T. of Dadra & Nagar Haveli.

PALEJ UNIT (ATLAS WIRES) is located at Plot No.3, GIDC, National Highway No.8, Palej 392 220 Dist Bharuch, Gujarat.

xv. Address for correspondence :

For transfer / dematerialization of shares, and queries relating to share transfer etc., shareholders are requested to directly communicate with the Registrars and Transfer (R & T) Agents at the address given in para ix above. In case their issues are not resolved by R & T Agents in reasonable time, or for any other matter, they may communicate with the company at its Registered Office, at Saiman House, J.A.Raul Street, Sayani Road, Prabhadevi, Mumbai 400 025. Tel. : (022) 2436 0089 / 2437 6281 Fax : (022) 2436 2593 / 2437 0687 Email: pwil@vsnl.com.

a. Industry structure and development :

The Company produces Winding Wires made of Copper including Continuously Transposed Conductors, Paper Insulated Copper Conductors & Enamelled Strips which are used in the manufacture of both in rotating and static electrical equipments. Round Enamelled Copper Wires are also used by repair & rewinding sector. There are number of players in the Industry, many in SSI sector. Therefore, Markets and Capacities continue to remain fragmented in the country. The Industry has registered growth during last 3 successive years due to better economic growth all around in the country. However, overall capacity and utilization remains low because of large and increasing installed capacity.

As compared to the previous year, production of your Company for CTC and PICC has increased and quality of both the products are well received by consumers. Your Company continues to be market leader in the field of Winding Wires made of Copper in India.

b. Opportunities and threats :

As ours is a power-deficit country massive investment in the Power Sector, regardless of any change in the political system is likely to continue. Your Company therefore during last several years has attempted to modernize as well as add new products which require longer gestation period for absorption of Technology and reduction of Waste and Scrap during the manufacturing process and for man-power training.

Growth in power sector is bound to be a catalytic effect on the growth of Electrical Equipment Manufacturing Industry, particularly, Transformer and large Electrical Rotating Machine such as Generators. Your Company therefore has invested in future.

Your Company has attempted therefore a broad-base-customers-span. The export potential is also significant for the new products. Barring any unforeseen development, long-term view offers us good opportunities.

Fiscal ratios of your Company such as Debt Equity Ratio enables the Company to venture into new products such as CTC which are capital intensive and have longer gestation period and have higher scrap generation during the production in the initial years.

Areas of Threats : High volatility in the rates of Refined Copper, our Primary Input, both in international as well as domestic markets, remain an important concern during the year and is likely to remain so for foreseeable future till the rates of Copper in International Market stabilize. Increase in the international price of crude oil may create pressure on the Rupee. This may lead to inflation and cyclic down-turn of economy for a short period.

Import of Winding Wires made of Copper at preferential tariff for some specific Industries should cease. Alternatively, Winding Wires Industry in India should be granted duty free Import Licence for Copper and Insulating Varnish for catering to such sectors who enjoy preferential tariff protection.

Goods having high input components and low added value should be excluded from the eligible list of items for import thereof into India under FTA from neighbouring and other countries.

Problems relating to development of infrastructure need to be addressed urgently.

c. Segment-wise or product-wise performance :

The Company's core activity is production and sales of only one product i.e. Winding Wires made of Copper. The overall

production has increased by about 15% during the year. Expansion for the year 2008-09 is in progress and equipments have been ordered. During the year under review, the quality of new products launched by your Company in 06-07 was very well received.

d. Outlook :

Except for a short period, India is likely to remain on the path of rapid growth. Being Electric-Power-Deficit country, massive investment in Electric-Power-Sector shall continue and will ensure & induce fast growth of Electrical Equipment Manufacturing Sector who is the prime consumer of our Products. We also look forward to export markets.

e. Risks and concerns :

- i) Extremely high volatility in the price of Copper, our primary input, both in International and Domestic market.
- ii) Please refer to also the foregoing paragraph No. "b" above.

f. Internal control systems and their adequacy :

Commensurate with the size of your company and the nature of its business, your company has adequate internal control procedures and regular Internal Audit system. This has been confirmed by the Auditors in their report to the members.

g. Discussion on Financial performance with respect to Operational performance : (All figures rounded off)

During the year under review, Sale Income was marginally lower at Rs. 574 (586) cr. due to increase in jobwork to 6301 (3780) MT. Outflow for Power & Fuel increased to Rs. 11.48 (10.09) cr. due to increase in tariff & higher production. Salaries and wages were higher at Rs. 771 (688) lacs. Outstanding Term Loan as at 31st March, 2008 was Rs. 30 (37) cr. and Term Loan drawal was Rs. 287 (1793) lacs. Capex during the year was Rs. 19.57 (35.59) cr. and Technology Transfer fee paid during the year was Rs. 279 (552) lacs. Capital Work in progress as at 31st March, 2008 was Rs. 358 (331) lacs. Reserves and Surplus as at 31st March, 2008 was Rs. 13015 lacs inclusive of Rs. 1839 lacs addition to Share Premium Account on conversion of FCD into Equity Shares.

Your Company's Principal input is Copper. Price thereof was substantially volatile during the year under report. To protect the interests of the Company and with required Statutory permissions, your Company entered into transactions for hedging Copper, which are not of speculative / trading nature.

Unsecured Loans as at 31st March, 2008 was Rs. 323 (2397) lacs. Inventory has gone up to Rs. 54 (36) cr. primarily on account of more material in transit, material under process and finished goods. Debtors are marginally higher to Rs. 115 (111) cr. Average duration of overall credit period for Sundry Debtors has marginally gone up. Current Liabilities have marginally increased to Rs. 114 (111) cr. Foreign Exchange Loss is Rs. 32 lacs (gain 33 lacs) on account of Imports/ depreciation of rupee. Net Loss on Copper Hedging Transactions squared up during the year is 489.27 Lacs (Previous year NIL).

h. Material Developments in Human Resources / Industrial Relations including number of people employed.

Industrial relations during the year were generally satisfactory. Some attrition in the un-skilled man-power during the year was observed but your Company had engaged last year and during the year more persons in the Key areas in the event of such happening (due to heating of the economy). On-going training program at various levels also has been undertaken.



AUDITORS' REPORT

To the Members of
PRECISION WIRES INDIA LIMITED

1. We have audited the attached Balance Sheet of Precision Wires India Limited, as at 31st March 2008, the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the "Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We invite attention to Note 16 of Schedule 14 of Notes to Accounts regarding the non-provision of losses on Hedging transactions outstanding as at the year end amounting to Rs. 218.76 lacs, on Mark to market basis, which is not in line with the requirement of Accounting for Derivatives as per the Announcement dated 29th March, 2008, made by The Institute of Chartered Accountants of India and consequently impacts the profit for the year to that extent.
5. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting Policies and Notes forming part of the accounts, and subject to our comment in paragraph 4 above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and
 - (ii) in so far as it relates to the Profit and Loss account, of the profit of the Company for the year ended on that date.
 - (iii) in the case of the Cash Flow statement of the cash flows for the year ended on that date.

FOR S. R. DIVATIA & CO.
Chartered Accountants

Shalin S. Divatia
Partner
Membership No. 39755
Mumbai,
Dated 26th June, 2008.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of our Report on even date :

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory (except Returnable Plastic Spools lying with Customers) of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted / taken any loans secured or unsecured, to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956, clauses iii (b), iii(c) iii (d), iii (e), iii (f) & iii (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts/ arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of such contracts / arrangements have been made at prices, which are reasonable having regard to the prevailing market prices, of such goods, materials or services at the relevant time.
- (vi) The Company has not accepted deposits from the public. Hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable to it.
- (b) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows :

Nature of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	1,14,892/-	Appellate Tribunal
Central Excise Act	Excise Duty	4,55,000/-	CEGAT, Delhi
Income Tax Act	Income Tax	34,06,831/-	Appellate Tribunal

- (x) The Company does not have accumulated losses, as at 31st March, 2008. The Company has not incurred any cash losses during the financial year covered by the audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given to us, by the management we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank or to debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund / Society. Accordingly in our opinion the provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.



AUDITORS' REPORT

- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanation given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet and cashflow statement of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any secured debentures
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR S.R. DIVATIA & CO.

Chartered Accountants

Shalin S. Divatia

Partner

Membership No. 39755

Mumbai

Dated 26th June, 2008

S.R. DIVATIA & CO.
CHARTERED ACCOUNTANTS

To the Members of
Precision Wires India Limited

We have examined the compliance of conditions of corporate governance by Precision wires India Limited ("the Company") for the year ended 31st March, 2008, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, of ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement. We have to state that the records of investor grievances are maintained by the Registrar and Transfer Agents appointed by the Company. The Registrar and Transfer Agents have certified that during the year under review there were no investor grievances pending/unattended to for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S. R. DIVATIA & CO.

Chartered Accountants

Shalin S. Divatia

Partner

Membership No. 39755

Mumbai,

Dated 26th June, 2008.

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedules	Rupees	As at 31/03/2008 Rupees	Rupees	As at 31/03/2007 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	115,644,230		104,644,230	
Reserves and Surplus	2	<u>1,301,532,115</u>	1,417,176,345	<u>993,893,571</u>	1,098,537,801
LOAN FUNDS					
Secured Loans	3		733,804,401		608,618,851
Unsecured Loans	4		32,310,240		239,659,800
Deferred Tax Liability	5		151,571,433		131,473,877
TOTAL			<u>2,334,862,419</u>		<u>2,078,290,329</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	6	1,777,826,110		1,584,491,898	
Less : Depreciation		<u>(497,335,902)</u>		<u>(408,376,963)</u>	
Net Block		1,280,490,208		1,176,114,935	
Capital Work-in-Progress		<u>35,866,527</u>	1,316,356,735	<u>33,077,666</u>	1,209,192,601
INVESTMENTS	7		1,610,110		61,924,934
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories		543,045,557		359,828,402	
Sundry Debtors		1,154,641,993		1,112,188,391	
Cash and Bank Balances		329,302,603		213,941,540	
Other Current Assets		38,562,239		51,866,080	
Loans and Advances		<u>138,239,375</u>		<u>180,200,674</u>	
		<u>2,203,791,767</u>		<u>1,918,025,087</u>	
Less : CURRENT LIABILITIES AND PROVISIONS	9				
Current Liabilities		1,138,161,294		1,063,473,080	
Provisions		<u>48,734,899</u>		<u>47,379,213</u>	
		<u>1,186,896,193</u>		<u>1,110,852,293</u>	
NET CURRENT ASSETS	(8-9)		1,016,895,574		807,172,794
TOTAL			<u>2,334,862,419</u>		<u>2,078,290,329</u>
Significant Accounting Policies and Notes on Accounts - Schedule	14				

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner
Membership No. 39755
Mumbai,
Dated : 26th June, 2008

For and on behalf of the Board

Mahendra R. Mehta Chairman, Managing Director & CEO

Deepak M. Mehta Whole-time Director

S. G. Sathe Company Secretary

Open Shah Vice President & CFO

Mumbai,
Dated : 26th June, 2008

**PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED ON 31ST MARCH, 2008**

	Schedules	2007/08 Rupees	2006/07 Rupees
INCOME			
Sales and Processing Income	#	6,893,715,535	6,917,618,252
Less : Excise Duty		(1,153,774,882)	(1,062,103,874)
Net Sales		5,739,940,653	5,855,514,378
Other Income	10	9,788,709	7,622,402
		<u>5,749,729,362</u>	<u>5,863,136,780</u>
EXPENDITURE			
Operating Expenses	# 11, 12	5,348,587,339	5,478,128,525
Interest	13	46,319,126	52,555,526
Depreciation	6	90,024,905	75,130,481
		<u>5,484,931,370</u>	<u>5,605,814,532</u>
TOTAL		<u>5,484,931,370</u>	<u>5,605,814,532</u>
Profit before Taxes & Extraordinary Items		<u>264,797,992</u>	<u>257,322,248</u>
Less : Extraordinary Items (Refer Note No. B-11 of Schedule 14)		-	(2,762,502)
Profit before Taxes		<u>264,797,992</u>	<u>254,559,746</u>
Less : Provision for Income Tax		(70,100,000)	(53,400,000)
Less : Provision for Wealth Tax		(31,000)	(28,200)
Add/(Less) : Provision for Deferred Tax		(20,097,556)	(32,428,333)
Add/(Less) : Provision for Fringe Benefit Tax		(1,050,000)	(1,000,000)
Add/(Less) : Income Tax Adjustments		(1,041,993)	113,983
Profit after Taxes		<u>172,477,443</u>	<u>167,817,196</u>
Add : Balance brought forward		35,195,071	34,728,888
		<u>207,672,514</u>	<u>202,546,084</u>
Less : Appropriations			
Transfer to General Reserve		(120,000,000)	(120,000,000)
Proposed Dividend Rs. 3.60 (Rs. 3.50) per Equity Share)		(41,629,043)	(40,472,681)
Provision for Corporate Tax on Proposed Dividend		(7,074,856)	(6,878,332)
Balance carried forward		<u>38,968,615</u>	<u>35,195,071</u>
Earning per Share of Rs.10/- each (in Rs.)			
Basic		15.16	16.04
Diluted		15.16	15.98

(Refer Note 17 of Schedule 14)

Refer Note 8 - Schedule 14

Significant Accounting Policies and Notes on Accounts - Schedule 14.

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants**Shalin S. Divatia**
Partner
Membership No. 39755Mumbai,
Dated : 26th June, 2008

For and on behalf of the Board

Mahendra R. Mehta Chairman, Managing Director & CEO**Deepak M. Mehta** Whole-time Director**S. G. Sathe** Company Secretary**Open Shah** Vice President & CFOMumbai,
Dated : 26th June, 2008

SCHEDULES TO BALANCE SHEET

	As at 31/03/2008 Rupees	As at 31/03/2007 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
12,000,000 (12,000,000) Equity Shares of Rs. 10/- each.	120,000,000	120,000,000
3,000,000 (3,000,000) Unclassified Shares of Rs. 10/- each.	<u>30,000,000</u>	<u>30,000,000</u>
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED :		
11,565,223 (10,465,223) Equity shares of Rs. 10/- each.	115,652,230	104,652,230
SUBSCRIBED :		
11,563,623 (10,463,623) Equity shares fully paid up	115,636,230	104,636,230
Add : Forfeiture of 1,600 (1,600) Equity shares (Amount originally paid up)	<u>8,000</u>	<u>8,000</u>
TOTAL	<u>115,644,230</u>	<u>104,644,230</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Central and State Government Subsidies	2,000,000	2,000,000
Capital Redemption Reserve	11,698,500	11,698,500
Share Premium	183,865,000	-
General Reserve :		
Balance as per last Balance Sheet	945,000,000	825,000,000
Add : Transfer from Profit and Loss Account	<u>120,000,000</u>	<u>120,000,000</u>
	1,065,000,000	945,000,000
Balance in Profit and Loss Account	<u>38,968,615</u>	<u>35,195,071</u>
TOTAL	<u>1,301,532,115</u>	<u>993,893,571</u>
SCHEDULE 3 : SECURED LOANS		
Term Loan		
- From a Bank	300,841,939	368,986,364
- Interest accrued and due to Bank	<u>2,257,765</u>	<u>2,596,916</u>
	303,099,704	371,583,280
Working Capital borrowings from Banks	<u>430,704,697</u>	<u>237,035,571</u>
TOTAL	<u>733,804,401</u>	<u>608,618,851</u>
(Refer Note B-3 of Schedule 14)		
SCHEDULE 4 : UNSECURED LOANS		
13% Unsecured Fully Convertible Debentures	-	194,865,000
Unsecured Loan - Bank	<u>32,310,240</u>	<u>44,794,800</u>
	<u>32,310,240</u>	<u>239,659,800</u>
SCHEDULE 5 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability arising on account of Depreciation	<u>154,565,576</u>	135,116,213
	154,565,576	135,116,213
LESS :		
Deferred Tax Assets arising on account of :		
Unamortized/ Unpaid Expenditure	94,881	(417,915)
Retirement benefits	<u>(3,089,024)</u>	<u>(3,224,421)</u>
	<u>(2,994,143)</u>	<u>(3,642,336)</u>
TOTAL	<u>151,571,433</u>	<u>131,473,877</u>



SCHEDULES TO BALANCE SHEET

SCHEDULE 6 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007	Additions	Sale / Adjustment	As at 31.03.2008	Upto 01.04.2007	For the Year	On Sale / Adjustment	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	10,218,351	2,134,265	-	12,352,616	-	-	-	-	12,352,616	10,218,351
Buildings	215,088,783	9,339,175	-	224,427,958	32,234,269	7,038,354	-	39,272,623	185,155,335	182,854,514
Plant and Machinery	1,259,433,698	147,550,814	(1,762,598)	1,405,221,914	337,009,948	66,836,786	(589,850)	403,256,884	1,001,965,030	922,423,750
Technology Transfer Cost	63,431,460	27,932,959	-	91,364,419	12,560,346	13,618,100	-	26,178,446	65,185,973	50,871,114
Vehicles	8,103,517	1,226,744	(601,825)	8,728,436	3,436,163	771,137	(476,116)	3,731,184	4,997,252	4,667,354
Office Equipments	15,531,754	2,419,948	-	17,951,702	12,848,811	1,237,034	-	14,085,845	3,865,857	2,682,943
Furniture and Fixtures	12,684,335	5,094,730	-	17,779,065	10,287,426	523,494	-	10,810,920	6,968,145	2,396,909
TOTAL	1,584,491,898	195,698,635	(2,364,423)	1,777,826,110	408,376,963	90,024,905	(1,065,966)	497,335,902	1,280,490,208	1,176,114,935
Previous Year	1,231,101,136	355,853,849	(2,463,087)	1,584,491,898	333,880,553	75,130,481	(634,071)	408,376,963	1,176,114,935	897,220,583
Capital Work in Progress (Including Advances on Capital Account)									35,866,527	33,077,666
									1,316,356,735	1,209,192,601

Buildings include Rs. 1,42,53,393/- (Rs. 14,253,393/-) being the cost of Residential Flats for employees at Palej / Silvassa.

As at
31/03/2008
Rupees

As at
31/03/2007
Rupees

SCHEDULE 7 : INVESTMENTS

(Long Term, other than Trade Investments, at cost, unless otherwise stated)

Long Term :

UNQUOTED

Government Securities - 6 years National Savings Certificate (deposited with Government Authorities)	9,000	9,000
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Other Investments :

UNQUOTED

100 (100) Equity Shares of Rs. 10/- each of Mogaveera Co-Op Bank Ltd., fully paid	1,000	1,000
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QUOTED

6,957 (6,957) Equity Shares of Rs. 10/- each of Bank of Baroda, fully paid (Market Value Rs. 19,75,092/- (Rs. 14,96,103/-))	1,600,110	1,600,110
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CURRENT INVESTMENTS

Nil (59,164) Units of Rs. 1000/- each of UTI Liquid Cash Plan Institutional (Dividend) Fund [Repurchase Value Rs. Nil (Rs. 6,03,14,824/-)]	-	60,314,824
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TOTAL

1,610,110

61,924,934

SCHEDULES TO BALANCE SHEET

	As at 31/03/2008 Rupees	As at 31/03/2007 Rupees
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES (At lower of cost or net realisable value)		
Material in Transit	96,266,746	25,545,889
Raw Material	82,134,777	72,110,260
Work in Progress	138,535,974	103,419,564
Finished Goods	164,365,780	103,615,959
Stores, Spares and Consumables	35,072,237	31,177,666
Reels and Packing Material	17,881,300	16,130,739
Copper Scrap	8,788,743	7,828,325
	<u>543,045,557</u>	359,828,402
SUNDRY DEBTORS (Unsecured, Considered Good)		
Outstanding for a period exceeding six months	22,317,269	5,716,121
Others	1,132,324,724	1,106,472,270
	<u>1,154,641,993</u>	1,112,188,391
CASH AND BANK BALANCES		
Cash on hand	358,937	532,565
Balances with Scheduled Banks		
In Current Accounts	319,300,378	161,951,692
In Term Deposits		
i) Under lien with Bank	214,131	43,614,785
In Margin Money Accounts	133,122	24,340
In Dividend Accounts	2,335,747	2,173,635
Remittance in Transit	6,960,288	5,644,523
	<u>329,302,603</u>	213,941,540
OTHER CURRENT ASSETS		
Interest accrued but not due	23,192	202,676
Export benefits accrued	38,539,047	51,663,404
	<u>38,562,239</u>	51,866,080
LOANS AND ADVANCES (Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received	43,905,889	20,147,339
Deposits	3,749,181	5,244,253
Advance Payment of Taxes (net)	36,310,330	13,441,836
Balance with Customs and Central Excise Authorities	54,273,975	141,367,246
	<u>138,239,375</u>	180,200,674
TOTAL	<u><u>2,203,791,767</u></u>	<u><u>1,918,025,087</u></u>



SCHEDULES TO BALANCE SHEET

	As at 31/03/2008 Rupees	As at 31/03/2007 Rupees
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
(i) Total outstanding dues of micro / small scale industrial undertakings	1,746,600	1,804,884
(ii) Total outstanding dues of creditors other than small scale industrial undertakings	<u>1,032,041,218</u>	<u>978,681,447</u>
	1,033,787,818	980,486,331
Security Deposits	600,000	600,000
Unclaimed Dividend *	2,335,748	2,173,636
Other Liabilities	<u>101,437,728</u>	<u>80,213,113</u>
	1,138,161,294	1,063,473,080
PROVISIONS :		
Provision for Wealth Tax	31,000	28,200
Proposed Dividend	41,629,043	40,472,681
Provision for Corporate Tax on Dividend	<u>7,074,856</u>	<u>6,878,332</u>
	48,734,899	47,379,213
TOTAL	<u>1,186,896,193</u>	<u>1,110,852,293</u>

* There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2007/08 Rupees	2006/07 Rupees
SCHEDULE 10 : OTHER INCOME		
Interest (Tax Deducted at Source Rs. 1,32,702/- (Rs. 1,71,030/-)	1,500,668	2,865,118
Income from Investments *	3,243,383	683,515
Miscellaneous Receipts	3,735,686	447,297
Foreign Exchange Gain (net)	-	3,314,083
Excess / (Short) Provision of Previous Years	1,249,035	-
Profit on sale of assets	53,022	295,926
Profit on sale of Investment	6,915	16,463
TOTAL	9,788,709	7,622,402
* Refer Note B-10 of Schedule 14		
SCHEDULE 11 :		
(A) (ACCRETION)/DECRETION TO STOCK		
Stock at close		
Finished Goods	(163,371,981)	(93,114,318)
Copper Scrap	(8,788,743)	(7,828,325)
Wire Enamel	(993,799)	(10,501,641)
	<u>(173,154,523)</u>	<u>(111,444,284)</u>
LESS :		
Stock at commencement		
Finished Goods	93,114,318	155,790,767
Copper Scrap	7,828,325	1,124,111
Wire Enamel	10,501,641	21,220,147
	<u>111,444,284</u>	<u>178,135,025</u>
(ACCRETION) / DECRETION	(61,710,239)	66,690,741
(B) MATERIAL CONSUMED		
Stock at commencement		
Copper Wire Rods	19,718,472	24,273,196
Work-in-progress	103,419,564	62,889,762
Enamels & Chemicals	45,345,236	37,768,322
Others	7,046,552	-
	<u>175,529,824</u>	<u>124,931,280</u>
Add : Purchases		
Copper Wire Rods	4,844,003,201	4,917,812,412
Enamels & Chemicals	186,363,666	180,815,215
Others	13,308,955	9,468,655
	<u>5,043,675,822</u>	<u>5,108,096,282</u>
Less : Stock at close		
Copper Wire Rods	(30,155,166)	(19,718,472)
Work-in-progress	(138,535,974)	(103,419,564)
Enamels & Chemicals	(45,879,121)	(45,345,236)
Others	(6,100,490)	(7,046,552)
(Refer Note B-2(C) of Schedule 14)		
	<u>(220,670,751)</u>	<u>(175,529,824)</u>
	<u>4,998,534,895</u>	<u>5,057,497,738</u>
(Accretion)/Decretion in Excise Duty on Closing Stock of Finished Goods	673,306	(7,032,268)
Material Consumed	4,999,208,201	5,050,465,470
Total Material Consumed (A + B)	4,937,497,962 **	5,117,156,211

** This figure includes Net loss of Rs. 4,89,27,173/- (Nil) on squared up transactions of Hedging of Copper during the year. [Refer Note 16 (b)].



SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2007/08 Rupees	2006/07 Rupees
SCHEDULE 12 :		
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Packing Material Consumed	41,953,763	33,943,225
Stores and Spares	28,211,620	22,782,736
Power and Fuel	114,824,022	100,950,214
Repairs and Maintenance		
Building	2,131,276	1,301,101
Machineries	19,639,424	17,568,516
Other Assets	1,956,007	1,739,941
Payments and provisions for employees		
Salary, Wages, Bonus etc.	68,784,122	63,271,559
Staff and Labour Welfare	1,470,357	1,593,920
Contributions to Provident and other Funds	6,807,686	3,928,861
Directors' Sitting Fees	212,000	394,000
Rent	7,250,909	4,994,711
Rates and Taxes	1,281,044	1,488,679
Travelling Expenses	4,908,441	4,788,702
Insurance	3,791,019	4,711,926
Freight and Transportation	48,886,341	43,135,784
Commission on Sales	8,987,180	9,143,015
Cash Discount	-	191,136
Bad Debts Written Off	-	1,647,002
Other Expenses	46,828,670	42,896,940
Foreign Exchange Loss (net)	3,165,496	-
Prior Period Expenses	-	148,040
Amalgamation Expenses Written Off	-	352,306
TOTAL	411,089,377	360,972,314
SCHEDULE 13 : INTEREST		
Interest on Fixed Loans	31,222,871	24,724,021
Interest on Debentures	4,222,075	21,110,376
Other Interest (Banks & Others)	10,874,180	6,721,129
TOTAL	46,319,126	52,555,526

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

A. SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Preparation of Financial Statements :**

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Fixed Assets and Depreciation :

i. Fixed Assets are stated at cost, net of Modvat / Cenvat credit, where applicable less accumulated depreciation and impairment losses. Cost includes financing and other costs incurred for bringing the assets to its working condition for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are capitalised. Cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

ii. Depreciation on Fixed Assets (except those described below) is provided on the Straight Line Method at the rates specified from time to time in Schedule XIV to the Companies Act, 1956 which management considers as being representative of the useful economic life of such assets :

The management estimates the useful life of certain assets as follows :

Office Equipments	5 years
Computer	3 years
Furniture and Fixtures	5 years

Technology Transfer Cost is amortised over a period of 6 years.

iii. Depreciation on additions to assets or on sale of assets as the case may be is calculated pro-rata from the month of such addition or upto the month of such sale.

iv. Assets scrapped / discarded from use and held for disposal, if any, are stated at lower of book value or their estimated net realisable value.

3. Impairment of Assets :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4. Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, if any, in the value of the investments.

5. Inventories :

i. Inventories are valued on FIFO basis at lower of cost or estimated net realisable value.

ii. In cases where duty paid materials are consumed prior to duty-free import of material for manufacture of products for export, the estimated excess cost of such material over that of duty free materials is carried forward and charged to revenue on consumption of such duty-free materials.

iii. Closing stock of finished goods include Excise duty payable thereon wherever applicable.

6. Excise duty :

Credit availed of Excise duty / Service Tax paid on inputs is reduced from the cost of material / services and is carried forward in Current Assets, Loans and Advances pending utilisation.

7. Income and Expenditure :

i. Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred, except those with significant uncertainties.

ii. Sales are recognised at the point of despatch of goods to the customers. Sales are net of discounts, sales tax and returns.

iii. Interest income is recognised on time proportion basis.

iv. Dividend on Investments is accounted when received.

v. Insurance claim receivable is recognised in the year of the loss to the extent ascertainable.

8. Foreign Currency Transactions :

i. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

ii. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign transactions are recognised in the Profit and Loss Account.

9. Forward Contracts :

Premium or discount on forward contracts are amortised over the life of the contract. Foreign Exchange Forward Contract are re-expressed at the Balance Sheet and Exchange difference between the spot rate at the date of contract and spot rate on the Balance Sheet date is recognised as gain/loss in the Profit & Loss Account, in terms of pronouncement of the Institute of Chartered Accountants of India.



SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

10. Employees Benefits :

- i. Gratuity Benefits are accounted for on the basis of amount determined by actuarial valuation made by Life Insurance Corporation of India (LIC) and are funded accordingly by the approved Trust. Any shortfall between liabilities determined on actuarial basis and funds available is charged to Profit and Loss account. Contribution made to LIC is charged to Profit and Loss Account. In respect of certain Employees who are not covered under approved Gratuity Fund, the liability is determined on the basis of Actuarial Valuation and is charged to Profit and Loss Account.
- ii. Retirement benefits in the form of provident fund and pension scheme are accounted on accrual basis and charged to the Profit and Loss Account of the year.
- iii. The monetary value of leave encashment benefit is provided on the basis of actuarial valuation.

11. Taxes on Income :

In accordance with Accounting Standard AS 22 - Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the asset can be realised in future.

B. NOTES TO ACCOUNTS

	Rs. Lacs 2007/08	Rs. Lacs 2006/07
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1. Contingent Liabilities :

a. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for	300.13	123.24
b. Guarantees given by Bank to third parties	400.15	200.15
c. Disputed Income Tax Demands (not acknowledged) against which Company / Department has preferred an appeal	34.07	32.39
d. Disputed Wealth Tax Demands (not acknowledged) against which Company / Department has preferred an appeal	3.40	3.40
e. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal	4.55	4.55
f. Disputed demand of Gujarat Electricity Board pending at Apex Court	4.22	4.22
g. In respect of matter pending in labour court, estimated at	1.50	0.75
h. No provision has been made in the accounts for the liability arising on revision, if any, in the salary and wages of the employees at Palej Unit due and pending from 1st January, 2004 and the same shall be accounted on determination.		

2. Information pursuant to part II of Schedule VI.

2. (A) Capacities and Production (rounded off to the nearest Metric Ton) @

I CAPACITY

	Licensed	MTs.	Installed
a) Winding Wires made of Copper, all types	34720	*	27820*
	(29020)	*	(24420)*
b) Wire Enamels / Resins	1750	**	1750**
	(1750)	**	(1500)

NOTES : i)* Figure for 2006-07 and 2007-08 are regrouped by not taking into consideration Bare Copper Wire/Strips being intermediate products.
ii)** For Wire Enamels/Resins, Capacity clubbed together.

II PRODUCTION

	2007-2008 - MTs.		
	Own Account	Job work basis	Total
a) Winding Wires made of Copper (Finished Goods)			
- Enamelled Round Wires	13656	3818	17474
	(13693)	(3456)	(17149)
- Other - all types	292	2496	2788
	(66)	(310)	(376)
	13948	6314	20262
	(13759)	(3766)	(17525)

		MTs	MTs
		2007-08	2006-07
b) Bare Copper Wires / Strips (Intermediate products, used for Capative consumption only)			
Jobwork - Inter Unit	Unit I	78	(7)
	Unit II	147	(71)
	Palej Unit	118	(366)
	Unit III	4,940	(2,465)
	Total	5283	(2,909)

c) Waste & Scrap of Copper generated during process on Total Production of items covered under a & b above.	854 (890)
d) Wire Enamels / Resins @	801 (853)

@ Includes 55 (32) MT of Wire Enamels and 9 (0) MTs of Resin Consumed Capatively.
As certified by the Managing Director

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES TO ACCOUNTS (Contd.)**2. (B) Sales and Processing Income**

Sr. No.	Product	M. Tons (Rounded off)		Rupees
1.	Enamelled Round Wires			
	– Own account		13464	5,836,526,055
			(13855)	(6,100,112,503)
	– Job work account		3805	397,940,120
			(3470)	(379,457,378)
2.	Other - All Types			
	– Own account		301	130,858,357
			(66)	(31,383,391)
	– Job work account		2496	146,876,621
			(310)	(23,848,725)
3.	Bare Copper Wires / Strips (Intermediate products, used for Capative consumption only)			
		MTs	MTs	
		2007-08	2006-07	
	Jobwork - Inter Unit			
	Unit I	78	(7)	
	Unit II	147	(71)	
	Palej	118	(366)	
	Unit III	4940	(2465)	
		5283	(2909)	
	Inter Unit Jobwork Processing Income, has been excluded from Sales & Processing Income while consolidating Profit & Loss A/c. However, Excise Duty paid thereon included is			59,425,074 (46,009,686)
4.	Wire Enamels/Resins # @			
	a) Wire Enamel Sale		33	4,239,872
			(0)	(0)
	b) Inter Unit Sale of Captively Produced Enamel from Palej (MT)			
		2007-08	2006-07	
	To Unit I	469	(604)	
	To Unit II	320	(312)	
		789	(916)	
	c) Interunit Rectification of Wire Enamels by Palej for Unit II - 18 (Nil) MT			
	@ Income in respect of Inter Unit Sale / rectification of Wire Enamel has been excluded from Sales & Processing Income while consolidating Profit & Loss A/c figures. However, Excise Duty paid thereon and included is.....			15,797,195 (18,171,831)
	# No Sales of Resins, but Capative consumption at Palej only			
5.	Total Sale of Waste & Scrap of Copper generated during process		854	299,360,854
			(871)	(314,800,216)
6.	Other Miscellaneous			1,569,870 (2,232,266)
7.	Sale-Income in respect of Inter Unit Transfer of Boughtout Enamels & Chemicals of Rs. 1,03,40,841/- (Rs. 17,097,123/-) has been excluded from "Sales & Processing Income" while consolidating Profit & Loss Account. However Excise Duty paid thereon and included is			1,121,518 (1,602,256)

2. (C) Opening and Closing Stock

Sr No.	Product	Opening Stock		Closing Stock	
		Quantity (M.T.) (Rounded off)	Value Rupees	Quantity (M.T.) (Rounded off)	Value Rupees
1.	Copper	64	19,718,472	92	30,155,166
		(95)	(24,273,196)	(64)	(19,718,472)
2.	Material in Transit	95	25,545,889	299	96,266,746
		(0)	(0)	(95)	(25,545,889)
3.	Enamels & Chemicals	352	45,345,236	407	45,879,121
		(314)	(37,768,322)	(352)	(45,345,236)
4.	Material under process	317	103,419,564	404	138,535,974
		(236)	(62,889,762)	(317)	(103,419,564)
5.	Other Raw Material	40	7,046,552	44	6,100,490
		(0)	(0)	(40)	(7,046,552)
6.	Finished Goods				
	(a) – Winding Wires Made of Copper (All types)	234	93,114,319	397	163,371,981
		(476)	(155,790,767)	(234)	(93,114,318)
	(b) – Wire Enamel	84	10,501,641	9	993,799
		(180)	(21,220,147)	(84)	(10,501,641)
7.	Waste & Scrap of Copper generated during process	23	7,828,325	24	8,788,743
		(5)	(1,124,111)	(23)	(7,828,325)



**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES TO ACCOUNTS (Contd.)

2. (D) Raw Material Consumed

Sr. No.	Description		M. Tons (Rounded off)	Rupees
1.	Copper			
a)	Own Account	#	14222 (14136)	4,798,450,097 (4,881,837,333)
b)	Received from customers for production of Winding Wires on Job Work basis.		6314 (3766)	Not Applicable (Not Applicable)
c)	For Bare Copper Wire produced			
	For Inter Unit Transfer on job work basis	Unit I	79	+
	For Inter Unit Transfer on job work basis	Unit II	147	+
	For Inter Unit Transfer on job work basis	Palej Unit	118	+
	For Inter Unit Transfer on job work basis	Unit III	4,978	+
			5,322	+
			(2,931)	(+)

/ + Quantity and Value of consumption of 2(D) 1(c) above is included in 2(D) 1(a) and 2(D) 1(b) above, as applicable.

2.	Enamels and Chemicals*		1,694 (1,557)	185,829,781 (173,238,301)
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*Includes chemicals used for production of enamels 839 MT (892 MT) / Rs. 7,78,65,312/- (Rs. 8,32,86,469/-)

3.	Other Raw Material		100 (14)	14,255,017 (2,422,103)
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2007/08 Rupees	2006/07 Rupees
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2. (E) Value of Imports calculated on CIF Basis :
(Including Material in Transit)

1.	Raw Materials	1,115,775,453	449,036,059
2.	Consumable Stores & Spares and Repairs to Plant	5,370,439	10,451,373
3.	Capital Goods	38,747,316	105,352,918

2. (F) Value of Raw Materials and Stores & Spares consumed :

	Percentage	Value (Rs)
a. Raw Materials :		
Imported	24 (8)	1,201,250,234 (414,067,217)
Indigenous	76 (92)	3,797,284,661 (4,643,430,520)
TOTAL	100 (100)	4,998,534,895 (5,057,497,737)
b. Stores & Spares :		
Imported	11 (11)	3,228,611 (2,399,788)
Indigenous	89 (89)	24,983,009 (20,382,948)
TOTAL	100 (100)	28,211,620 (22,782,736)

2007/08 Rupees	2006/07 Rupees
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2. (G) Expenditure in foreign Currency : (Other than Imports, on Accrual basis)

Technology Transfer Cost	27,934,352	46,723,821
On hedging of Copper	50,094,604	NIL
Testing/Membership Fees	5,911	135,996
Professional Fees	2,395,327	95,876
Travelling	876,960	69,439
Interest on Buyers Credit	8,644,866	2,220,559

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES TO ACCOUNTS (Contd.)

	<u>2007/08</u> <u>Rupees</u>	<u>2006/07</u> <u>Rupees</u>
2. (H) Amount of Dividend remitted during the year in foreign currency	NIL	NIL
2. (I) Earnings in Foreign Exchange :		
Export of Goods on FOB Basis	83,960,204	22,765,933

2. (J) Employee benefits :

1. The Company adopted Accounting Standards (AS15) (Revised 2005) "Employee Benefits" effective from 01.04.07.
The disclosures require as per the Revised AS15 are as under :

A. Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

	<u>2007-08</u>
Employer's Contribution to Provident Fund	2611672
Employers Contribution to Employees State Insurance Fund	76755
Employers Contribution to Employees Pension Scheme 1995	<u>1553383</u>
TOTAL	<u>4241810</u>

The above Plans are State Plans and the Company has no obligation to pay future benefits and its only obligation is to pay Contributions as they fall due.

B. Defined Benefit Plan :

The employees gratuity fund scheme managed by a Trust is a Defined Benefit Plan .The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.The obligation for leave encashment is recognised in the same manner as gratuity.

1. The Company adopted Accounting Standards (AS15) (Revised 2005) "Employee Benefits" effective from 01.04.07.
The disclosures require as per the Revised AS15 are as under :

I. Reconciliation of Opening and closing Balances of Defined Benefit Obligation	Gratuity (Funded)
	2007-08
Present Value of Defined Benefit Obligation as at beginning of the year	10138131
Interest Cost	811050
Current Service Cost	839011
Benefits Paid	(1351546)
Actuarial (Gain) /Loss	330007
Present Value of Defined Benefit Obligation as at end of the year	10766653
II. Reconciliation of Opening and closing Balances of Fair Value of Plan Assets	Gratuity (Funded)
	2007-08
Fair Value of Plan assets at beginning of the year	10143791
Expected Return on Plan assets	938301
Employer Contribution	1683838
Benefits Paid	(1351546)
Actuarial (Gain) / Loss	(35759)
Fair Value of Plan assets at end of the year	11378625
Actual return on plan assets	902542
III. Reconciliation of fair value of assets and obligations	Gratuity (Funded)
	2007-08
Fair Value of Plan assets at end of the year	11378625
Present Value of Defined Benefit Obligation as at end of the year	10766653
Net Liability / (Asset) Recognised in the Balance Sheet-	(611972)
IV. Expenses Recognised During the year	
Current Service Cost	839011
Interest Cost	811050
Expected Return on Plan assets	(938301)
Net Actarial (Gain) / Loss	294248
Expenses Recognised During the year in Profit & Loss Account	1006008
V. Actuarial Assumptions	Gratuity (Funded)
Mortality Table (LIC)	1994-96 (Ultimate)
Discount Rate (Per Annum)	8%
Expected rate of Return on Plan assets	9.25%
Rate of Escalation in Salary (Per Annum)	4%

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS****B. NOTES TO ACCOUNTS (Contd.)**

	2007/08 Rupees	2006/07 Rupees
2. (K) Remuneration to Auditors (excluding Service Tax) :		
i) Remuneration to Auditors		
(a) Audit Fees	550,000	350,000
(b) Tax Audit Fees	50,000	30,000
(c) Certification Fees	93,495	66,999
(d) Taxation Matters	17,500	145,501
TOTAL	710,995	592,500

In addition to the above, an aggregate sum of Rs. 40,000/- (Previous Year - Rs. 40,000/-) has been paid /is payable to a partner of the firm of Auditors in his personal capacity for Company Law matters.

2. (L) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :		
Manufacturing	(30,422)	20,800
Administration & Selling Expenses	(1,218,466)	249
Sales Tax	(147)	127,240
	(1,249,035)	148,289

2. (M) (a) Computation of profits in accordance with Section 198 of the Companies Act, 1956 :		
Net Profit before Tax	264,797,992	254,559,742
Less :		
Provision for decline in Value of Investment	-	-
Profit on Sale of Assets	(53,022)	(295,926)
Profit on Sale of Investments	(6,915)	(16,463)
Add :		
Directors' Remuneration *	19,240,010	18,196,100
Directors' sitting fees	212,000	394,000
Amalgamation Expenses written off	0	352,306
	284,190,065	273,189,759
Net Profit for Section 198 of the Companies Act	284,190,065	273,189,759
10% (10%) of Net Profit as above	28,419,007	27,318,976
Commission payable @ 1% (1%) of Net Profit as above to each of three Directors	8,525,702	8,195,693
- Total 3% (Prev. Year -3%)	-	-
Total Commission for the Year to three working Directors	8,525,702	8,195,693

No adjustment of Depreciation is shown above as the Company depreciates fixed assets based on estimated useful lives not lower than implicit in Schedule XIV of the Companies Act, 1956. Accordingly, rates of depreciation used by the Company are higher than or equal to the minimum prescribed by the Schedule XIV.

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES TO ACCOUNTS (Contd.)

	2007/08 Rupees	2006/07 Rupees
2. (M) (b) Remuneration paid / payable during the year to Managing / Whole time Directors *		
Salary	7,920,000	7,560,000
Leave Encashment	315,385	0
Leave Travel Allowance	660,000	630,000
House Rent Allowance	300,000	300,000
Perquisites	568,523	603,207
Contribution to Provident & Pension Funds	950,400	907,200
	10,714,308	10,000,407
Commission	8,525,702	8,195,693
	19,240,010	18,196,100

* Excluding Provision for Gratuity Rs. 4,55,770/- (Rs. 4,21,157/-) other than on actuarial valuation.

3. a) Bank borrowings from Bank of Baroda in addition to personal guarantees of three directors, are secured by a first charge by way of Hypothecation of Machinery, Stock-in-Trade, Book debts and Equitable Mortgage of Land & Factory Buildings of the Company.
- b) Bank borrowings from BNP Paribas, in addition to personal guarantees of three directors, are secured by a Second charge by way of Hypothecation of Stock-in-Trade and Book Debts.

4. Forward Contracts :

In respect of the import of raw materials and equipments, the Company used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign currency rates fluctuations and is not used by the company for trading or speculation purposes.

A. Details of foreign currency exposure hedged by derivative instrument as on 31.03.2008 :

Particulars	Amount in Foreign Currency	Equivalent Amount (Rs.)
Buyers Credit	\$1,250,000 (\$1,153,000)	49,800,000 (49,901,840)

B. Details of foreign currency exposure not hedged by derivative instrument or otherwise as on 31.03.2008 :

Particulars	Amount in Foreign Currency	Equivalent Amount (Rs.)
Sundry Creditors	\$235,259 (\$121,580)	9,386,834 (5,261,982)
Sundry Creditors	€47,365 (€37,621)	2,985,960 (2,172,286)
Sundry Creditors	SEK 186,653 (SEK 189,114)	1,250,792 (1,180,074)
Sundry Creditors	£ 175,075 (-)	13,936,826 (-)
Sundry Debtors	\$6,770 (\$60,372)	269,837 (2,611,667)
Sundry Debtors	£ 92,110 (-)	7,332,397 (-)
Advances from Customers	\$9,945 (-)	396,209 (-)
Other Advances	€75,423 (-)	4,754,253 (-)
Advance Given	\$318 (-)	12,693 (-)
Suppliers' Credit (Short Term)	\$4,439,800 (\$567,000)	176,881,632 (24,539,760)



SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES TO ACCOUNTS (Contd.)

5. In accordance with ASI14 (Revised) on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on sales amounting to Rs. 115,37,74,882/- (Rs. 106,21,03,874/-) has been reduced from sales in Profit and Loss account and (Accretion)/Decretion of Excise duty on Inventory of Finished Goods amounting to Rs.6,73,306/- (Rs.70,32,268/-) has been accounted in the profit and loss account under Schedule 11 - Material Consumed.

6. As the Company operates in the single business segment of Winding Wires made of Copper, there are no reportable segments of business as defined under the Accounting Standard AS 17-Segment Reporting issued by The Institute of Chartered Accountants of India.

7. Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India are given below :

- a) Relationship : Key Management personnel :
- | | | |
|------------------------------|---------------------|----------------------|
| Chairman & Managing Director | Managing Director | Whole Time Director |
| Shri Mahendra R. Mehta | Shri Milan M. Mehta | Shri Deepak M. Mehta |
- Relatives of key management personnel:
- | | | |
|------------------------|----------------------------|-------------------------|
| Mrs. S. M. Mehta, Wife | Mrs. G. M. Mehta, Wife | Mrs. S. D. Mehta - Wife |
| | Master A. M. Mehta, Son | Mr. N. D. Mehta, Son |
| | Miss M. M. Mehta, Daughter | |

Mrs. S. M. Mehta is also the mother of Shri Milan M. Mehta and Shri Deepak M. Mehta

Shri Milan M. Mehta and Shri Deepak M. Mehta are brothers and sons of Shri Mahendra R. Mehta

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Rupees 2007-08	Rupees 2006-07	
Rent Paid	179,200	307,200	Relatives
Security Deposit Given for Premises (Paid in a Prior Year)	-	2,000,000	Relatives
Remuneration	19,240,010	18,196,100	Key Management Personnel

c) The Company does not have any subsidiary Company.

8. a) The following being Inter Unit Transactions during the year have been excluded in the Profit & Loss Account.

	2007/08 Rupees	2006/07 Rupees
1. Sales / Purchase & Processing Income etc.		
- Copper Wire Rods	30,325,665	14,678,393
- Enamels, Chemicals etc.	95,460,771	106,009,121
- Stores, Spares & Packing Material	1,660,816	8,111,590
2. Other Income / Other Expenses	90,000	90,000

b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March, 2008 has been excluded from the valuation of relevant closing stock in the accounts of the Company.

9. During the year under review, the Company has purchased and sold the following investments :

Sr. No.	Scheme	Face Value	No. of Units Purchased & Sold	Amount Invested
1.	UTI Liquid Cash Plan Institutional (Dividend) Fund	1000/-	59,986 (98,602)	61,152,982 (100,494,806)
2.	UTI Liquid Plus Fund Institutional Plan (Dividend) Fund	1000/-	168,521 (-)	168,537,336 (-)

10. Income from Investments consists of (a) Dividends from Companies Rs.20,871/- (Rs. 55,656/-) and (b) Dividends from Units of Mutual Funds - Rs. 32,22,512/- (Rs. 6,27,859/-)

11. Extra-ordinary Items

	2007-08	2006-07
Retrenchment Compensation Paid to certain employees	-	2,762,502

12. (a) Amounts due to Small Scale Industrial Undertakings, and outstanding for a period exceeding 30 days are : 1. Sivananda Electronics Rs. NIL (Rs. 8,320/-) 2. G.S. Dies Rs. 107,701/-, 3. Bharat Heaters Rs. 19,646/-, 4. Sealwell Rs. 13,697/-, 5. Xclusive Machine Rs. 46,000/-, Fox Controls Rs. 4,393/-, Rolling Industries Rs. 31,098/-.

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES TO ACCOUNTS (Contd.)

12. (b) The Company has amounts due to Micro and Small Enterprises under The Micro Small and Medium Enterprises development Act 2006 (MSMED ACT) at the Year End.
- | | | |
|------|---|------|
| i) | The Principal Amount and Interest due thereon remaining unpaid due to supplier M/s. Aditya Business Forms | |
| | Principal Amount | 9043 |
| | Interest | 357 |
| ii) | The amount of Interest paid by the Company alongwith the amounts of the payment made to supplier beyond the appointed date for the year ending 31st March, 2008 | Nil |
| iii) | The amount of Interest due and payable for the period of delay for making payment (beyond the appointing date during the year) | Nil |
| iv) | The amount of Interest accrued and remaining unpaid for the year ending 31st March, 2008 | 357 |
| v) | The amount of further interest remaining due and payable for the earlier years | Nil |
- NOTE : The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

13. In view of Accounting Standard Interpretation on Accounting for Fixed Asset AS-10, issued by The Institute of Chartered Accountants of India, during the year, Machinery spares of an aggregate purchase cost of Rs.118,84,743/- (Rs. 131,33,651/-) which are meant for specific machines and use where of is irregular have been capitalised with the cost of relevant Plant and Machinery. Depreciation on the same has been provided on a systematic basis over a period not exceeding the useful life of the principal item of Plant & Machinery. Depending upon the nature of use, at the time of issue of said Spares, the Spares are either capitalised or charged to Profit and Loss Account at Written Down Value of such Spares. Accordingly during the year amount of Rs. 11,52,654/- (Rs. 12,74,942/-) issued during the year, Rs. 11,52,654/- (Nil) are capitalised and Rs. Nil (Rs. 12,74,942/-) are charged to Profit and Loss Account.

14. The Company imported Copper Rods (Principal Input) at JNPT Port from Australia during December 2007 and after Customs clearance thereof at the Port, the consignment of approx. 99.277 MTs was despatched by 6 Trucks to our Silvassa Factory, in routine course. Two Trucks out thereof containing Copper Rods weighing approx. 33.404 MTs did not reach our Silvassa Factory. A Complaint was filed at Jurisdictional Police Station at Uran for the theft. The Insurance Claim was lodged. Pending settlement of Insurance Claim, an amount of Rs. 95,92,286/- has been reduced from Copper Purchase Account and the identical amount has been debited to Insurance Claim Receivable under Schedule-9 "Loans and Advances" as Advances are recoverable in cash or kind for the value to be received. On finalisation of Insurance Claim/other relevant process appropriate Accounting entries will be passed.

15. The Company issued on Private Placement Basis 11,00,000/- (Eleven Lakhs) 13% Unsecured Fully Convertible Debentures (FCDs) each of Rs.177.15 aggregating to Rs.1948.65 Lakhs during May 2006. Pursuant to the Terms & Conditions of Issue of FCDs, these FCDs were compulsorily to be converted into one Equity Share of Rs.10 Fully Paid Up at the Premium of Rs. 167.15. Accordingly, during the year, FCDs have been converted into 11 Lakhs Equity Shares of Rs.10/- fully paid-up. Pursuant to the aforesaid conversion of FCDs, the Equity Share Capital has increased by Rs.110 Lakhs and Share Premium Account by Rs.1838.65 Lakhs.

16. a) In pursuance to the announcement dated 29.03.08 of the Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives, marked to market losses on outstanding derivatives instruments as on 31.3.08 stood at Rs. 218.76 Lacs arising from hedging transactions undertaken by the Company for its primary input, Copper. The Company does not enter into derivative transactions for trading or speculative purpose and all derivatives transactions entered into by the Company are to mitigate or off set the risk arising from the normal business activity. The above marked to market losses are expected to flow back through future cash flows. The company intendsto adopt, in due course, ICAI AS30 -Financial Instruments, Recognition and Measurement, which will take some time on account of associated complexities and documentation requirements. Pending adoption of AS30, the Company has not provided for the losses on mark to market basis, in respect of the outstanding derivative transactons as on 31st March, 2008.

b) The net loss on Copper Hedging transactions squared up during the year is Rs 4,89,27,173/- (Previous year - Nil) and the same is included in the cost of Material Consumed (Schedule 11-B to the Profit and Loss Account for the year).

17. Earning Per Share (EPS) - EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of equity shares outstanding during the year as stated below.

Basic and Diluted EPS has been calculated on the basis of Weighted Average No. of Shares outstanding as at year end. Diluted EPS is calculated taking into account the potential Number of Equity Shares on conversion of 11,00,000 (Eleven Lacs) 13% Unsecured Fully Convertible Debentures.

	2007-08	2006-07
a. Profit after tax	172,477,443	167,817,196
b. Weighted Average Number of Shares	11,380,290	10,463,623
c. Basic EPS	15.16	16.04
d. Diluted EPS	15.16	15.98
e. Face value per share	10.00	10.00

18. Figures in brackets pertain to the previous year.

19. Previous year's figures have been regrouped/reworked wherever necessary.

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner
Membership No. 39755
Mumbai,
Dated : 26th June, 2008

For and on behalf of the Board

Mahendra R. Mehta Chairman, Managing Director & CEO

Deepak M. Mehta Whole-time Director

S. G. Sathé Company Secretary

Upen Shah Vice President & CFO

Mumbai,
Dated : 26th June, 2008



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	<input type="text"/> <input type="text"/> 1 1 - 5 4 3 5 6	State Code (Ref. Code List 1)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 1
Balance Sheet	<input type="text"/> 3 1 <input type="text"/> 0 3 <input type="text"/> 2 0 0 8		
	Date Month Year		

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	<input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Right Issue	<input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Bonus Issue	<input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> 1 1 0 0 0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text"/> <input type="text"/> 2 3 3 4 8 6 2	Total Assets	<input type="text"/> <input type="text"/> 2 3 3 4 8 6 2
-------------------	---	--------------	---

Sources of Funds

Paid-Up Capital	<input type="text"/> <input type="text"/> 1 1 5 6 4 4	Reserves & Surplus	<input type="text"/> <input type="text"/> 1 3 0 1 5 3 2
Secured Loans	<input type="text"/> <input type="text"/> 7 3 3 8 0 4	Unsecured Loans	<input type="text"/> <input type="text"/> 3 2 3 1 0
Deferred Tax Liability	<input type="text"/> <input type="text"/> 1 5 1 5 7 1		

Application of Funds

Net Fixed Assets	<input type="text"/> <input type="text"/> 1 3 1 6 3 5 7	Investments	<input type="text"/> <input type="text"/> <input type="text"/> 1 6 1 0
Net Current Assets	<input type="text"/> <input type="text"/> 1 0 1 6 8 9 6	Miscellaneous Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> N I L
Accumulated Losses	<input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	<input type="text"/> <input type="text"/> 6 9 0 3 5 0 4	Total Expenditure	<input type="text"/> <input type="text"/> 6 6 3 8 7 0 6
+ Profit / - Loss Before Tax	<input type="text"/> <input type="text"/> 2 6 4 7 9 8	+ Profit / - Loss After Tax	<input type="text"/> <input type="text"/> 1 7 2 4 7 7
Earning per Share Rs.	<input type="text"/> <input type="text"/> 1 5 . 1 6	Dividend Rate %	<input type="text"/> <input type="text"/> <input type="text"/> 3 6

V. Generic Names of Three Principal Products / Service of Company

Product Description	Item Code No. (ITC Code)
W I N D I N G W I R E S O F	8 5 4 4 1 1 1 0
E N A M E L L E D C O P P E R	
O T H E R W I N D I N G W I R E S	8 5 4 4 1 1 9 0

The Company deals in only one product.

For and on behalf of the Board

Mahendra R. Mehta	Chairman, Managing Director & CEO
Deepak M. Mehta	Whole-time Director
S. G. Sathe	Company Secretary
Open Shah	Vice President & CFO

Mumbai,
Dated : 26th June, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2008**

	Rupees in Lacs	
	31/03/2008	31/03/2007
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	2,647.98	2,573.22
Add / (Deduct) : Adjustments for		
Interest	463.20	525.56
Depreciation (net)	900.25	751.30
Preliminary Expenses / Deferred Revenue Written off	-	-
Amalgamation Expenses Written off	-	3.52
(Profit)/Loss on sale of assets	(0.53)	(2.96)
Imported Spares Written off	-	12.75
(Refer Note No B-13 in Notes to Accounts Sch 14)		
Provision for Loss on Fixed Assets Scrapped / Discarded	-	-
Profit / Loss on sale/write-off of Investment	-	(0.16)
Provision for Decline in Value of Investments Written Back	-	-
Income from investments	(32.43)	1,330.49
	1,330.49	(6.84)
Operating Profit before working capital changes	3,978.47	3,856.40
Add / (Deduct) Adjustments for :		
Trade and Other Receivables	(424.54)	(3,128.02)
Inventories	(1,832.18)	(222.30)
Trade and Other Payables	745.27	196.36
Loans and Advances	648.30	303.18
Other Current Assets	133.04	(730.11)
	(730.11)	(323.06)
Cash generated from operations	3,248.36	682.56
Direct Taxes paid (net of refunds)	(950.88)	(950.88)
	(950.88)	(653.05)
Cash flow before extra-ordinary items	2,297.48	29.51
Extraordinary items	-	(27.63)
Net cash from operating activities	2,297.48	1.88
B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)		
Purchase of fixed assets (including Capital Work In Progress)	(1,973.37)	(2,823.56)
Proceeds from Sale of Fixed assets	2.00	8.50
Investments in Units of Mutual Funds	(1,182.29)	(1,404.99)
Proceeds of sale of investments/Units of Mutual Funds	1,785.44	1,003.65
Income from Investments	32.43	6.84
	32.43	6.84
Net cash generated /(used) in investing activities	(1,335.79)	(3,209.56)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in / (Repayment of) term loans	(684.83)	1,337.59
Increase/(Decrease) in Bank borrowings	1,811.84	1,642.11
Interest paid	(463.20)	(525.56)
Issue of shares/debentures	1,948.65	-
(Redemption of shares/debentures)	(1,948.65)	1,948.65
Dividends paid	(471.89)	(416.01)
	(471.89)	(416.01)
Net cash generated/(used) in financing activities	191.92	3,986.78
Net increase/(decrease) in cash equivalents	1,153.61	779.10
Cash and cash equivalents as at 1st April, 2007	2,139.42	1,360.31
Cash and cash equivalents as at 31st March, 2008	3,293.03	2,139.42

Note : Interest Income represents mainly amounts received from customers for delayed payments and income on Bank-Fixed-Deposits under lien with the Bank. Hence the Interest Income is considered as a part of the operational activities of the Company.

As per our report of even date.

For and on behalf of the Board

For S.R. Divatia & Co.
Chartered Accountants

Mahendra R. Mehta Chairman, Managing Director & CEO

Deepak M. Mehta Whole-time Director

Shalin S. Divatia
Partner
Membership No. 39755

S. G. Sathe Company Secretary

Open Shah Vice President & CFO

Mumbai,
Dated : 26th June, 2008

Mumbai,
Dated : 26th June, 2008



PRECISION WIRES INDIA LIMITED

REGD. OFFICE : SAIMAN HOUSE, J. A. RAUL STREET, OFF SAYANI ROAD,
PRABHADEVI, MUMBAI - 400 025.

19TH ANNUAL GENERAL MEETING 2007-2008

PROXY FORM

I/We _____ of _____ in the district
of _____ being a Member/Members of PRECISION WIRES INDIA LIMITED
hereby appoint _____ of _____
in the district of _____ or failing him
_____ of _____ in the
district of _____ as my/our Proxy to vote for me/us on my/our behalf at the **19th Annual General Meeting**
of the Company to be held on **Saturday, 27th September, 2008** at 02.30 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2008.

*DP ID : _____ *Client ID : _____

Reg. Folio No. : _____

Signature _____

Please
affix
Revenue
Stamp

No. of Shares held : _____

- NOTES :**
1. A MEMBER ENTITLED TO VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE MEMBER.
 2. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTRERD OFFICE OF THE COMPANY NOT LESS THAN **48 HOURS** BEFORE THE TIME FOR HOLDING THE MEETING.
- * APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM

----- TEAR HERE -----

PRECISION WIRES INDIA LIMITED

REGD. OFFICE : SAIMAN HOUSE, J. A. RAUL STREET, OFF SAYANI ROAD,
PRABHADEVI, MUMBAI - 400 025.

ATTENDANCE SLIP

(This slip may please be handedover at the entrance of the meeting hall)

Reg. Folio No. : _____ *DP ID : _____ *Client ID : _____

No. of Shares held : _____

I hereby record my presence at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, 27th September, 2008** at the Hall of The Mysore Association, 1st Floor, 393 Bhaudaji Road, Maheshwari Udyan (Kings' Circle), Matunga (Central Railway), Mumbai - 400 019.

Full Name of Shareholders/ Proxy (in Block Letters) _____

Signature of the Shareholder / Proxy _____

* APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM.

BOOK-POST



If undelivered, please return to :

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