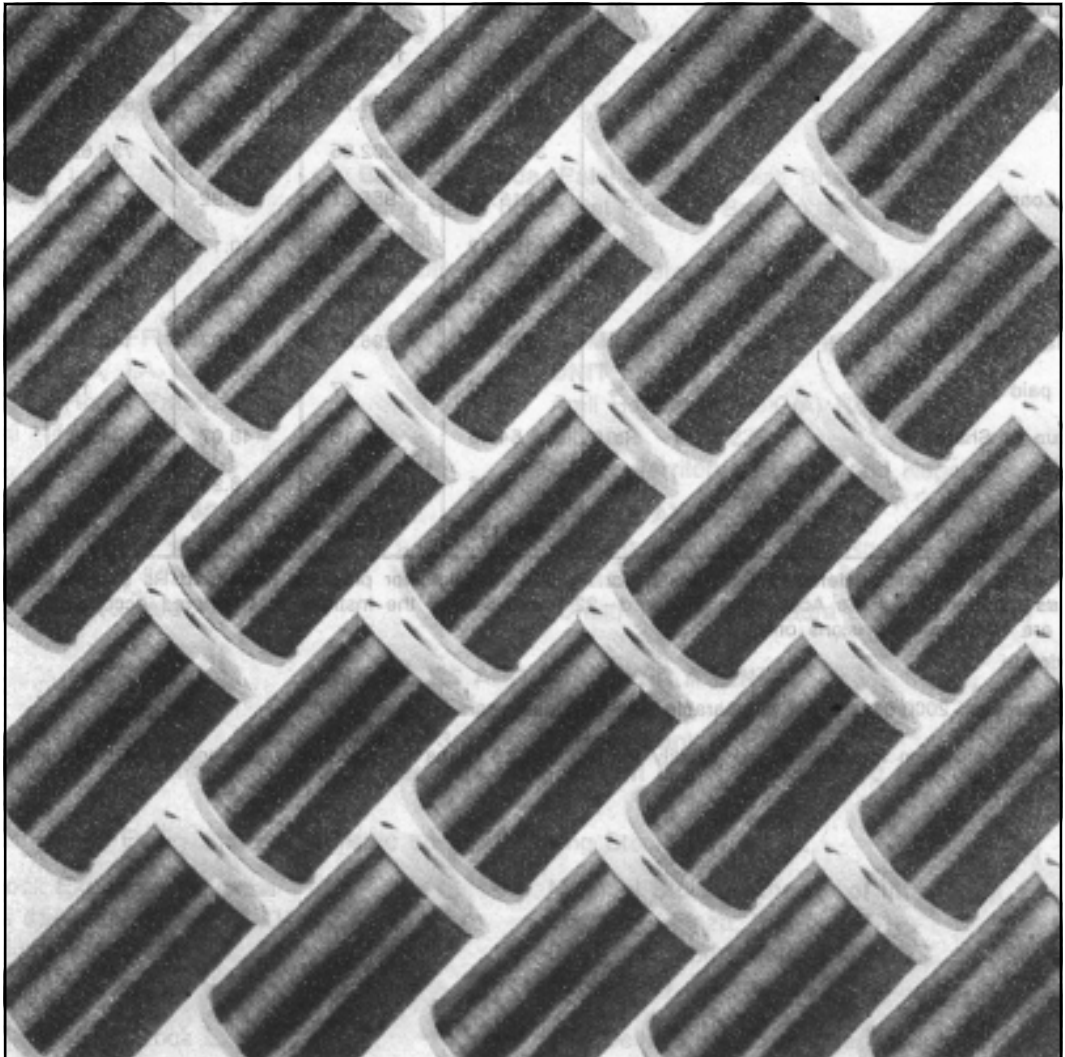


16th
Annual Report
2004-2005



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

Financial Highlights

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

** Approximate

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



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

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

* Independent & Non-Executive Directors.

COMPANY SECRETARY : Mr. Sanjaya R. Kunder

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

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

REGISTERED OFFICE :

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

PALEJ UNIT: ATLAS WIRES

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

ADMINISTRATIVE OFFICE AND WORKS :

UNIT I:

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

UNIT II: ATLAS WIRES

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

UNIT III :

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

REGISTRAR AND TRANSFER AGENTS:

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

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

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

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

NOTICE TO MEMBERS

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

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

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

By order of the Board

Sanjaya R. Kunder
Company Secretary

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

Mumbai,
10th June 2005.

Notes :-

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

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

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

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

* Indicative dates, actual dates may vary.

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

NOTICE TO MEMBERS

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

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

ANNEXURE TO NOTICE

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

Item No.6

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

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

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

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

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

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

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

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

By order of the Board

Sanjaya R. Kunder
Company Secretary

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

10th June 2005.

DIRECTORS' REPORT

TO THE MEMBERS

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

1. Financial Results

(Rupees In Lacs)

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

2. Dividend

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

3. Operations

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

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

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

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

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

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

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

4. Modernisation & Expansion:

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

DIRECTORS' REPORT

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

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

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

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

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

The Equity Shares of the Company are compulsorily traded in dematerialized form as prescribed by SEBI. The same are registered with both National Securities Depository Ltd., Trade World, 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.

6. Particulars of Employees:

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

7. Disclosure of particulars in the Directors' Report:

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

8. Auditors

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

9. Corporate Governance:

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

10 Directors' Responsibility Statement

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

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

11. Directors

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

12. Acknowledgements

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

For and on behalf of the Board,

Mahendra R. Mehta
Chairman and Managing Director

Mumbai

Dated 10th June, 2005.

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, 2005.

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

Notes:

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

ANNEXURE II TO DIRECTORS' REPORT**1. Conservation of energy:**

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

2. Form "B"**Research and Development (R&D):**

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Special areas in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D 3. Future plan of action 4. Expenditure on R & D | <p>Development of larger spools; Special Tools and Material Handling Facility</p> <p>Savings in consumption of Inputs, Improvement in quality & Safer & Faster-flow of materials</p> <p>Product Improvement.</p> <p>Nil</p> |
|--|---|

Technology Absorption, Adaptation and Innovation:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Efforts, in brief, made towards technology absorption and innovation 2. Benefits derived as a result of the above efforts 3. Information about imported Technology | <p>The Company continues to Modernise. Training of Manpower for technology absorption has been continuously undertaken.</p> <p>Modernisation and improvement in Quality.</p> <p>Imported Technology for some specific products received during earlier year has been absorbed satisfactorily.</p> |
|---|---|

3. Foreign Exchange Earnings and Outgo:

Earnings	Rs. 52.28 (Rs. 25.76) lacs
Outgoings	Rs. 1153.82 (Rs. 788.01) lacs

CORPORATE GOVERNANCE REPORT FOR THE YEAR
1ST April 2004 to 31ST March 2005

(ANNEXURE III TO THE DIRECTORS' REPORT)

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

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

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

2. Board of Directors:

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

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

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

During the year

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

3. Audit Committee:

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

Brief Description of Terms of Reference are as under:

- 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.

During the year

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

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

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

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

4. Remuneration Committee:

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

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

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

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

Details of remuneration to all the Directors are as under:

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

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

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

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

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

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

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

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

Number of pending transfer of shares 12*
as on 31.03.2005

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

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

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

6. General Body Meetings:

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

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

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:

A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large :-

—Transactions with related parties as per requirements of Accounting Standard -18 are disclosed in Notes to Accounts. None of these transactions have potential conflict with interest of the Company at large.

B. Details of non-compliance by the Company, penalties imposed, strictures 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 :- **NIL**

8. Means of communication:

The Quarterly / Half yearly / Annual Unaudited / Audited financial results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

The Quarterly Financial Statements, Corporate Governance Reports & Quarterly Shareholding Pattern statements and Annual Report are also available on the EDIFAR website.

Whenever required advance intimation covering vital information of interest to Shareholder is conveyed to Stock Exchanges.

The Results were published in the "Free Press Journal" and vernacular "Navshakti" news papers. Other Communications with shareholders take place through individual notices of Annual / Extra Ordinary General Meetings, along with the Agenda and Explanatory Statements thereto.

The Management Discussion and Analysis Report is attached with the Directors' Report in the Annual Report.

9. General Shareholder Information:

Annual General Meeting of year 2005

Day, Date month & Time:

Thursday, 28th July, 2005, AT 10.00 AM

Venue:

Hall of Mysore Association,
1st Floor, 393, Bhaudaji Road,
Near Maheshwari Udyan (King Circle), Matunga,
(Central Railways) Mumbai – 400 019.

Financial Calender for 2005-06 (tentative):

Financial Results for

First Quarter 4th Week of July,2005

Second Quarter 3rd /4th Week of October,2005

Third Quarter 3rd/4th Week of January 2006

Audited Annual Results 4th Week of June 2006

Date of Book closure : from 22nd July, 2005 to 28th July, 2005 (both days inclusive)

Dividend payment date:

Final Dividend on fully paid Equity shares, subject to the approval of Members at the ensuing Annual General Meeting, at 19 % i.e. Rs. 1.90 per such fully paid equity share of Rs.10/- each on or before 27th August, 2005.

Listing on Stock Exchanges & Stock Codes:

The Stock Exchange, Mumbai (BSE) (523539)

National Stock Exchange of India Ltd(NSE) PRECWIRE

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2004-05.

Market Price Data:

Month & Year	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
Apr-04	48.90	42.00	49.50	41.55	5979.25	5599.12
May-04	46.00	37.00	46.00	38.10	5772.64	4227.50
Jun-04	41.70	37.15	41.70	38.05	5012.52	4613.94
Jul-04	48.30	39.00	48.95	39.50	5200.85	4723.04
Aug-04	57.35	45.70	57.00	45.50	5269.22	5022.29
Sep-04	63.90	52.55	64.65	52.00	5638.79	5178.57
Oct-04	76.25	56.10	84.40	58.00	5803.82	5558.14
Nov-04	95.95	70.00	95.50	70.50	6248.43	5649.03
Dec-04	103.50	80.00	105.00	76.00	6617.15	6176.09
Jan-05	95.00	73.05	95.00	72.60	6696.31	6069.33
Feb-05	88.00	72.50	90.00	77.10	6721.08	6508.33
Mar-05	93.00	74.25	93.50	76.50	6954.86	6321.31

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)28215168 / (022)28329828 Fax No. (022)28375646

Share Transfer System:

Transfers in physical form are lodged with the Company / Transfer Agents. The Transfer Agents have complete computerised 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.

The Company also offers transfer-cum-demat facility for the convenience of the Investors.

Shareholding Pattern as on 31.03.2005:

Category	No. of Shares held	% of Shareholding
Promoters	7173357	68.55
Mutual Funds and UTI	1100	0.01
Banks, Financial Institutions & Insurance Cos.	500	0.01
Foreign Financial Institutions	214196	2.05
Private Corporate Bodies	410908	3.93
Indian Public	2504636	23.93
NRIs/OCBs	137926	1.32
Any others *	21000	0.20
GRAND TOTAL #	10463623	100.00

* These shares are held by an Independent Directors and their relatives and they are not in control of the Company.

Excluding 1600 forfeited Equity Shares.

Distribution of holding as on 31.03.2005:

No. of Shares	No. of Shareholders		No. of Shares	
From To	Number	%	Number	%
Less than 501	8252	93.19	1105862	10.57
501 - 1000	289	3.26	244105	2.34
1001 - 2000	124	1.40	191216	1.83
2001 - 3000	55	0.62	144731	1.38
3001 - 4000	28	0.32	99287	0.95
4001 - 5000	21	0.24	99848	0.95
5001 - 10000	29	0.33	207477	1.98
10001 & above	57	0.64	8371097	80.00
Total	8855	100.00	10463623	100.00

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. 23.04 % of Company's Share Capital are dematerialised as on 31.03.2005

The Company's shares are regularly traded on the Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

Outstanding GDRs/ ADRs/ Warrants etc – N I L

Plant Locations:

Company's Plants are located at :

Unit I &
Unit II (ATLAS WIRES - SILVASSA) &
Unit III
Plot Survey No.125/2, Amali Hanuman (66KVA) Road, Silvassa 396 230
(Union Territory of Dadra & Nagar Haveli)
PALEJ UNIT (ATLAS WIRES)
Plot No.3, GIDC, National Highway No.8
Palej 392 220 Dist Bharuch, Gujarat
Address for correspondence:
Registered Office :
Saiman House, J.A.Raul Street, Sayani Road, Prabhadevi, Mumbai 400 025.
Tel : 2436 0089 / 2437 6281
Fax : 2436 2593 / 2437 0687
Email : pwil@vsnl.com / awl@vsnl.com

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry structure and development:

The Company produces Winding Wire of Enamelled Copper, which are used in the manufacture of both rotating and static electrical equipments, such as electric motors, transformers, switch gears, instruments, consumer and industrial electronics, auto-electricals, refrigerators, air-conditioners, washing machines, domestic appliances, pumps and fans etc. The wire is also used by repairs and re-winding Sector. There are a number of players in the Industry, many in SSI Sector. Therefore, the Markets & Capacities are fragmented in the Country. Due to some concessional rate of excise duty granted to SSI Sector, the competition is intense.

Your Company continues to remain the Market- leader.

b. Opportunities and threats:

The Company's low level of borrowing and good reserves helps it to continue to modernize and install technologically advanced manufacturing plants, thereby giving it an edge in the otherwise extremely competitive market. Power-Sector development is expected to increase demand of our product. On-going modernization will help to cater to exports. On-going investments in Capex will increase our installed capacity and expand, in future, our customer-base.

However, areas where structural re-orientation of the Policy of the Government needed are :

- Reduction of Import Duty to 5% on our primary input, Copper (Ch.No.7408)
- Enforcement of Value-Addition Norms specified in FTA with neighbouring countries in respect of duty-free import of Enamelled Copper Winding Wires (Ch 8544.1110)
- Flexibility in Labour Laws
- Duty-free imports of above Wires are allowed for Electronics and some other Industries. Since on our Principal Input, Copper & Insulating Varnishes Customs Duty is 10% & 15% respectively, domestic Winding Wire Industry should be granted duty-free imports of Copper and Insulating Varnishes so that supply of such Wires to Domestic Electronics Industry etc can be made duty-free and also at an international price.
- De-bottleneck infrastructural constraints.

c. Segment-wise or product-wise performance:

The Company's core activity is production and sales of only one product i.e. Winding Wire of Enamelled Copper. Despite the decline in production of about 457 MT of Palej Unit & flash floods in Silvassa / Daman area and in our Silvassa Units, overall total production of 13771 MT of finished goods (12233 MT) during the year under review is more by about 13%. Continuous and on-going modernization of Plant & Process as well as addition of new imported plants at Silvassa Units is in progress. Some Modern imported Plants shall be received and installed during 2005-06. Overall performance of the Company including cash flow generated is very satisfactory. The Company has discharged during the year all fiscal obligations in time.

d. Outlook:

During the year under review the Government has reduced import duty on Copper Wire Rods, our Principal Input (Ch.7408), effective rate being 11%. Our products are entirely used by Electrical Equipment Industry. So that domestic Wire & Cable and Electrical Equipment Manufacturing Industry has a level-playing-field vis-à-vis the import of finished goods / equipments from abroad, further reduction of the import duty by 5% may be a matter of time only. This will provide substantial boost to the domestic industry.

While our performance during the year under review is very satisfactory, competition from both Domestic and Overseas continues to be severe and there may be squeeze on the margin during the current Fiscal.

We are a power-deficit Nation. Massive capacity-addition in Electricity Power Sector is only a matter of time. In the circumstances, for certain core-sectors of economy, & particularly with regard to power & infrastructure sectors, the Policy is unlikely to change. Therefore, demand of our products from Domestic Electric Equipment Manufacturing Sector is likely to go up. Improved living standards of people due to rapid industrialization may usher increase in demand of Electrical Equipments, Auto- Mobiles, White Goods, Air Conditioners, Appliances, Fans, Consumer Electronic goods etc. Your Company has committed substantial Capex investment till March 2007.

Overall outlook for the future is encouraging considering vast market potential in the Country; unless the process of liberalization is reversed by unforeseen events

e. Risks and concerns:

Please refer to point (b) and (d) 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:

Overall production and sale of finished goods are more during the year despite flash floods at Silvassa units during

August 04 and decline of the production at Palej Unit. Average price of our Principal Input, Copper, was about 31% more during the year. Sale's net of Taxes was Rs.27,666 Lacs (Rs.19446 Lacs). Inventory, Sundry Debtors & Creditors are consequently higher. Other income at Rs.68 Lacs (Rs.103 Lacs) – lower mainly due to lower interest income. Interest is marginally higher at Rs.91 Lacs as against Rs.63 Lacs. Capital Work-in-Progress is substantially higher Rs.455 Lacs (Rs.117 Lacs) due to on-going implementation of various Projects. Increase in Reserves & Surplus is Rs. 1011 Lacs (Rs.920 Lacs) (without revaluation) is satisfactory. Depreciation at Rs.460 Lacs (Rs.367 Lacs) as the Company has revised its estimate of the useful life on certain Fixed Assets such as Computers, Office Equipments, Furniture & Fixtures. Other Expenditure is Rs.1.35 Lacs (Rs.62.34 Lacs) towards provision of loss on scrapping of Fixed Assets and Rs.28.12 Lacs (Rs.3.85 Lacs) for the loss on sale of Fixed Assets.

In compliance with the Accounting Standards 28 established by the Institute of Chartered Accountants of India relating to "impairment of Assets" the Company has assessed such Assets for impairment and provided Rs.117.25 Lacs (net of Deferred Tax Credit of Rs.65.60 Lacs) towards provision for impairment of Assets as on 01.04.04 and the same has been adjusted against the Opening Balance of General Reserve.

Secured Loans of Rs. 1144 Lacs (Rs.810 Lacs) include Term Loan drawal of Rs.550 Lacs (nil). Loans & Advances at Rs.1512.98 Lacs (Rs.514.91) include Rs.594.09 Lacs (NIL) FCNR Receivable Account. Current Liability of Rs.6595 Lacs (Rs.4338 Lacs) has increased due to Creditors for supply of Inputs (Copper & Chemicals) pursuant to the rise in the cost as well as increase in the production of your Company.

Foreign Exchange Loss Rs.5.44 Lacs (Rs.13.62 Lacs) is on imports of inputs.

During the year under review there was profit on sale of investment, Bank of Baroda Liquid Fund —Dividend option of Rs.7.95 Lacs (as against loss of Rs.21.43 Lacs in the previous year).

Insurance Claims in respect of the damage to the Current & Fixed Assets at Silvassa Units due to the Flash Flood have been pursued. Total Expenditure of Rs.28.58 Lacs incurred on Repairs to the flood-affected Plant & Machinery were debited to Expenditure Account.

PBDIT, PBDT, PBT & PAT for the year under review are satisfactory.

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

Your company has a stable and well-trained managerial, supervisory and shop-floor level work force. On-going training programmes at various levels was undertaken. Industrial relations during the year were satisfactory. The company continues to pursue various options available, including man power rationalization and productivity norms for the high-cost Palej Unit. This matter is engaging attention since quite some time due to the decision of your Company to pursue the same with human face.

A U D I T O R S ' R E P O R T

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 2005, 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 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, as amended by Companies (Auditors Report) Amendment Order 2004 together the "Order" 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. 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, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 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, 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, 2005 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, 10th June, 2005

A U D I T O R S ' R E P O R T
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 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. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- 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
Gujarat Sales Tax Act	Sales Tax	11,14,630/-	Appellate Tribunal
Central Sales Tax Act	Sales Tax	1,14,892/-	Assessing Authority
Central Excise Act	Excise Duty	4,55,000/-	Appellate Tribunal

- x. The Company has no accumulated losses as at 31st March, 2005 and it has not incurred any cash losses during the financial year ended on that date 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.

A U D I T O R S ' R E P O R T

- 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.
- 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 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.

Thanking you,

Yours faithfully,

For S.R. Divatia & Co.
Chartered Accountants

Shalin S Divatia
Partner
Membership No 39755

Mumbai,
Dated, 10th June, 2005

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 on 31st March, 2005, 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, for 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 explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned 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.

Place : Mumbai
Dated : 10.06.2005

BALANCE SHEET AS AT 31ST MARCH, 2005

	Sch.	As at 31.3.2005 Rupees		As at 31.3.2004 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	104,644,230	104,644,230	
Reserves and Surplus	2	<u>734,701,599</u>	<u>839,345,829</u>	<u>738,285,326</u>
LOAN FUNDS				
Secured Loans	3	114,408,365		81,000,000
Deferred Tax Liability	4	<u>80,575,865</u>		<u>81,572,377</u>
TOTAL		<u>1,034,330,059</u>		<u>900,857,703</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	821,545,677	746,089,354	
Less : Depreciation		<u>(289,799,125)</u>	<u>(228,686,157)</u>	
Net Block		531,746,552	517,403,197	
Capital Work-in-Progress		<u>45,495,698</u>	<u>11,739,427</u>	
			<u>577,242,250</u>	<u>529,142,624</u>
INVESTMENTS	6		<u>17,178,795</u>	<u>17,560,000</u>
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories		202,686,945	182,982,301	
Sundry Debtors		585,598,536	455,457,362	
Cash and Bank Balances		150,288,546	88,611,731	
Loans and Advances		151,298,351	51,491,069	
Other Current Assets		<u>8,218,100</u>	<u>6,990,928</u>	
		<u>1,098,090,478</u>	<u>785,533,391</u>	
Less: CURRENT LIABILITIES AND PROVISIONS	8			
Current Liabilities		636,878,306	413,758,273	
Provisions		<u>22,686,178</u>	<u>20,084,267</u>	
		<u>659,564,484</u>	<u>433,842,540</u>	
NET CURRENT ASSETS	(7-8)		438,525,994	351,690,851
MISCELLANEOUS EXPENDITURE (to the extent not written off)	9		<u>1,383,020</u>	<u>2,464,228</u>
TOTAL		<u>1,034,330,059</u>		<u>900,857,703</u>
Significant Accounting Policies and Notes on Accounts	14			

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner
Membership No. 39755
Mumbai,
Dated 10th June, 2005

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director
Milan M. Mehta Vice Chairman & Managing Director
Sanjaya R. Kunder Company Secretary
Upen Shah Vice-President
Mumbai,
Dated 10th June, 2005

**PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2005**

	Sch.	<u>2004/05 Rupees</u>	<u>2003/04 Rupees</u>
INCOME			
Sales and Processing Income	#	3,219,034,048	2,273,405,202
Less: Excise Duty	**	<u>(452,337,840)</u>	<u>(328,790,163)</u>
Net Sales		2,766,696,208	1,944,615,039
Other Income	10	6,853,653	10,388,213
TOTAL		<u>2,773,549,861</u>	<u>1,955,003,252</u>
EXPENDITURE			
Operating Expenses	# 11,12	2,492,004,060	1,736,858,616
Interest	13	9,109,507	6,325,226
Depreciation	5	<u>46,050,713</u>	<u>36,725,885</u>
TOTAL		<u>2,547,164,280</u>	<u>1,779,909,727</u>
Profit before Taxes		226,385,581	175,093,525
Less: Provision for Income Tax		(66,700,000)	(48,900,000)
Less: Provision for Wealth Tax		(17,000)	(17,000)
Add/(Less): Provision for Deferred Tax		(5,563,492)	762,829
Add/(Less): Income Tax Adjustments		<u>(903,055)</u>	<u>471,286</u>
Profit after Taxes		153,202,034	127,410,640
Add : Balance brought forward		<u>17,442,596</u>	<u>20,444,780</u>
		170,644,630	147,855,420
Less : Appropriations:			
Transfer to General Reserve		(114,225,720)	(95,000,000)
Interim Dividend @ Rs. 1.50 (Rs. 1.30) per Equity Share		(15,695,435)	(13,602,709)
Proposed Dividend @ Rs. 1.90 (Rs. 1.70) per Equity Share		(19,880,884)	(17,788,159)
Provision for Corporate Tax on Interim Dividend		(2,051,198)	(1,742,848)
on Proposed Dividend		<u>(2,788,294)</u>	<u>(2,279,108)</u>
Balance carried forward		<u>16,003,099</u>	<u>17,442,596</u>
Basic and Diluted Earning per Share of Rs. 10/- each (in Rs.) (Refer Note 13 of Schedule 14)		14.64	12.18

Please refer Note B-7 - Schedule 14.

** The above amount of Excise Duty of Rs. 45,23,37,840/- (Rs. 32,87,90,163/-) includes an amount of Rs. 71,71,898/- (Rs. 89,46,162/-) towards valuation of inventories as at 31.3.2005 in accordance with the Guidance Note on Accounting Treatment of Excise Duty issued by The Institute of Chartered Accountants of India.

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 10th June, 2005

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director
Milan M. Mehta Vice Chairman & Managing Director
Sanjaya R. Kunder Company Secretary
Upen Shah Vice-President

Mumbai,
Dated 10th June, 2005

SCHEDULES TO BALANCE SHEET

	As at 31.3.2005 Rupees	As at 31.3.2004 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 :		
10,465,223 (10,465,223) Equity shares of Rs. 10/- each.	<u>104,652,230</u>	<u>104,652,230</u>
SUBSCRIBED :		
10,463,623 (10,463,623) Equity shares fully paid up	104,636,230	104,636,230
Add: Forfeiture of 1,600 (1,600) Equity shares (Amount originally paid up)	<u>8,000</u>	<u>8,000</u>
	<u>104,644,230</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
General Reserve :		
Balance as per last Balance Sheet	602,500,000	507,500,000
Less: Impairment loss on Assets (Refer Note No. B-14 of Schedule 14)	<u>(18,285,726)</u>	0
Add: Deferred Tax Credit on Impairment of Assets	6,560,006	0
Add: Transfer from Profit & Loss Account	<u>114,225,720</u>	<u>95,000,000</u>
	705,000,000	602,500,000
Balance in Profit and Loss Account	<u>16,003,099</u>	<u>17,442,596</u>
TOTAL	<u>734,701,599</u>	<u>633,641,096</u>
SCHEDULE 3 : SECURED LOANS		
Term Loans		
– From a Bank	<u>55,000,000</u>	0
	55,000,000	0
Working Capital borrowings from Banks	<u>59,408,365</u>	<u>81,000,000</u>
TOTAL	<u>114,408,365</u>	<u>81,000,000</u>
(Refer Note B-3 of Schedule 14)		
SCHEDULE 4 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability arising on account of		
Depreciation	83,778,100	84,331,248
Unamortized/ Unpaid Expenditure	<u>(297,475)</u>	<u>196,600</u>
	83,480,625	84,527,848
LESS :		
Deferred Tax Assets arising on account of:		
Unamortized/ Unpaid Expenditure	(413,857)	(441,091)
Retirement benefits	<u>(2,490,903)</u>	<u>(2,514,380)</u>
	(2,904,760)	(2,955,471)
TOTAL	<u>80,575,865</u>	<u>81,572,377</u>

SCHEDULES TO BALANCE SHEET
SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2004	Additions	Sale/ Adjustment	As at 31.03.2005	Upto 01.04.2004	For the year	On Sale/ Adjustment	Impairment Loss	Upto 31.03.2005	As at 31.03.2005	As at 31.03.2004
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Land	2,708,705	7,509,646	-	10,218,351	-	-	-	-	-	10,218,351	2,708,705
Buildings	85,822,436	11,138,703	(351,646)	96,609,493	19,824,998	2,765,771	(117,078)	-	22,473,691	74,135,802	65,997,438
Plant And Machinery**	623,870,032	61,430,894	(5,826,374)	679,474,552	190,485,853	33,876,603	(2,096,047)	18,285,726*	240,552,135	438,922,417	433,384,179
Technology Transfer Cost	6,212,685	1,630,578	-	7,843,263	3,328,634	1,307,472	-	-	4,636,106	3,207,157	2,884,051
Vehicles	6,494,917	81,236	(872,818)	5,703,335	2,813,483	498,796	(907,936)	-	2,404,343	3,298,992	3,681,434
Office Equipments	11,687,396	712,197	(241,312)	12,158,281	7,385,188	3,688,600	(102,410)	-	10,971,378	1,186,903	4,302,208
Furniture & Fixtures	9,293,183	245,219	-	9,538,402	4,848,001	3,913,471	-	-	8,761,472	776,930	4,445,182
TOTAL	746,089,354	82,748,473	(7,292,150)	821,545,677	228,686,157	46,050,713	(3,223,471)	18,285,726	289,799,125	531,746,552	517,403,197
Previous Year	(647,928,218)	(115,017,504)	(16,856,368)	(746,089,354)	(201,371,831)	(36,725,885)	(9,411,559)	-	(228,686,157)	(517,403,197)	(446,556,387)
Capital Work in Progress (Including Advances on Capital Account)										45,495,698	11,739,427
										577,242,250	529,142,624

* Refer Note No. B-14 of Schedule 14 - Notes to Accounts

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

** Amount includes retiral of assets which are not in active use with original cost of Rs. 2,41,09,598/- and of which the written down value (being Net Realisable Value) is Rs. 3,31,049/-

As at 31.3.2005	As at 31.3.2004
Rupees	Rupees

SCHEDULE 6 : INVESTMENTS

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

Long Term :
UNQUOTED

Government Securities -

6 years National Savings Certificates

(deposited with Government Authorities)

10,000

10,000

Other Investments :
QUOTED

30,000 (30,000) Equity Shares of

Rs. 10/- each of Bank of Baroda fully paid

(Market Value Rs. 65,41,500/- (Rs. 72,81,000/-))

2,550,000

2,550,000

CURRENT INVESTMENTS

1433552 (1482536) Units of Rs. 10/- each

of BOB Liquid (Dividend) Fund

(Repurchase Value Rs. 1,46,18,795/- (1,50,46,552/-))

14,998,829

15,000,000

14,998,829

15,000,000

Provision for Decline in value of investments

(380,034)

14,618,795

0

15,000,000

TOTAL

17,178,795

17,560,000

SCHEDULES TO BALANCE SHEET

	As at 31.3.2005 Rupees	As at 31.3.2004 Rupees
SCHEDULE 7 :		
CURRENT ASSETS, LOANS AND ADVANCES.		
INVENTORIES (At lower of cost or net realisable value)		
Raw Material	62,653,384	38,364,131
Work in Progress	36,062,631	24,146,059
Finished Goods	67,751,833	91,760,015
Stores, Spares and Consumables	19,177,143	13,867,067
Reels and Packing Material	17,041,954	14,213,562
Copper Scrap	<u>0</u>	<u>631,467</u>
	202,686,945	182,982,301
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months.	21,510,452	3,976,916
Others	<u>564,088,084</u>	<u>451,480,446</u>
	585,598,536	455,457,362
CASH AND BANK BALANCES		
Cash on hand	412,175	1,067,590
Balances with Scheduled Banks		
In Current Accounts	140,631,368	78,222,863
In Term Deposits		
I) Under lien with Bank	2,016,584	2,016,584
ii) Others	229,234	178,311
In Margin Money Accounts	163,133	285,399
In Dividend Accounts	2,154,145	1,939,518
Remittance in Transit	<u>4,681,907</u>	<u>4,901,466</u>
	150,288,546	88,611,731
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received	105,454,203	23,754,522
Deposits	5,211,192	7,777,561
Advance Payment of Taxes (net)	3,881,747	2,877,861
Balance with Customs and Central Excise Authorities	<u>36,751,209</u>	<u>17,081,125</u>
	151,298,351	51,491,069
OTHER CURRENT ASSETS		
Interest accrued but not due	205,484	35,550
Export benefits accrued	<u>8,012,616</u>	<u>6,955,378</u>
	8,218,100	6,990,928
TOTAL	<u>1,098,090,478</u>	<u>785,533,391</u>

SCHEDULES TO BALANCE SHEET

	As at 31.3.2005 Rupees	As at 31.3.2004 Rupees
SCHEDULE 8 :		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
(i) Total outstanding dues of small scale industrial undertakings	1,428,921	1,596,627
(ii) Total outstanding dues of creditors other than small scale industrial undertakings	<u>590,350,995</u>	<u>330,487,637</u>
	591,779,916	332,084,264
Security Deposits	618,000	968,000
Unclaimed Dividend *	2,154,145	1,939,518
Other Liabilities	<u>42,326,245</u>	<u>78,766,491</u>
	636,878,306	413,758,273
PROVISIONS :		
Provision for Wealth Tax	17,000	17,000
Proposed Dividend	19,880,884	17,788,159
Provision for Corporate Tax on Dividend	<u>2,788,294</u>	<u>2,279,108</u>
	22,686,178	20,084,267
TOTAL	<u>659,564,484</u>	<u>433,842,540</u>
* There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.		

SCHEDULE 9 : MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Preliminary Expenses	146,951	294,395
Deferred Revenue Expenditure	0	50,000
Amalgamation Expenses	<u>1,236,069</u>	<u>2,119,833</u>
TOTAL	<u>1,383,020</u>	<u>2,464,228</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2004/05 Rupees	2003/04 Rupees
SCHEDULE 10 : OTHER INCOME		
Interest (Tax Deducted at Source Rs. 88,503/- (Rs.11,11,193/-))	1,648,521	5,665,412
Income from Investments *	660,743	2,362,883
Miscellaneous Receipts	3,445,500	1,024,230
Excess/(Short) Provision of Previous Years	303,565	191,664
Provision for decline in value of investment written back	0	1,144,024
Profit on sale of Investment	795,324	0
TOTAL	<u>6,853,653</u>	<u>10,388,213</u>

* Refer Note B-9, of Schedule 14

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2004/05 Rupees	2003/04 Rupees
	<hr/>	<hr/>
SCHEDULE 11 :		
(A) (ACCRETION)/DECRETION TO STOCK		
Stock at close		
Finished Goods	(59,246,427)	(88,901,912)
Copper Scrap	0	(631,467)
Wire Enamel	(8,505,406)	(2,858,103)
	<hr/>	<hr/>
	(67,751,833)	(92,391,482)
LESS : Stock at commencement		
Finished Goods	88,901,912	61,343,813
Copper Scrap	631,467	36,595
Wire Enamel	2,858,103	0
	<hr/>	<hr/>
	92,391,482	61,380,408
	<hr/>	<hr/>
(ACCRETION) / DECRETION	24,639,649	(31,011,074)
	<hr/>	<hr/>
(B) MATERIAL CONSUMED		
Stock at commencement		
Copper Wire Rods	15,146,783	33,132,051
Work-in-progress	24,146,059	21,209,627
Enamels & Chemicals	23,217,348	29,853,007
(Refer Note B-2C of Schedule 14)		
	<hr/>	<hr/>
	62,510,190	84,194,685
Add: Purchases		
Copper Wire Rods	2,057,045,981	1,375,844,759
Enamels & Chemicals	166,644,364	118,487,349
	<hr/>	<hr/>
	2,223,690,345	1,494,332,108
Less: Stock at close		
Copper Wire Rods	(14,143,220)	(15,146,783)
Work-in-progress	(36,062,631)	(24,146,059)
Enamels & Chemicals	(48,510,164)	(23,217,348)
	<hr/>	<hr/>
	(98,716,015)	(62,510,190)
	<hr/>	<hr/>
	2,187,484,520	1,516,016,603
Cost of Material Purchased and Sold	0	533,383
Material Consumed	<hr/>	<hr/>
	2,187,484,520	1,516,549,986
	<hr/>	<hr/>
Total Material Consumed (A + B)	2,212,124,169	1,485,538,912
	<hr/>	<hr/>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2004/05 Rupees	2003/04 Rupees
SCHEDULE 12:		
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Packing Material Consumed	23,925,210	22,621,240
Stores and Spares	21,714,580	16,735,489
Power and Fuel	77,456,620	68,955,189
Repairs and Maintenance		
Building	2,563,415	1,812,492
Machineries	12,933,566	12,378,655
Other Assets	1,403,062	1,340,530
Payments and provisions for employees		
Salary, Wages, Bonus etc.	46,026,641	40,289,141
Staff and Labour Welfare	1,128,157	1,223,908
Contributions to Provident and other Funds	5,956,430	4,286,063
Directors' Sitting Fees	275,000	153,000
Rent	4,798,826	1,700,947
Rates and Taxes	1,744,127	1,623,797
Travelling Expenses	2,979,518	3,341,070
Insurance	2,545,267	2,172,597
Freight and Transportation	28,647,253	25,564,894
Commission on Sales	9,939,525	9,926,134
Cash Discount	944,124	266,405
Other Expenses	29,945,861	25,712,091
Foreign Exchange Loss (net)	544,938	1,362,366
Loss on sale of investment (incl write off of NIL(Rs.10,000/-))	0	2,152,794
Loss on Sale of Assets (net)	2,812,001	385,326
Provision for loss on Fixed Assets scrapped/discarded	134,528	6,234,367
Preliminary / Deferred Expenses Written Off	197,444	197,445
Amalgamation Expenses Written Off	883,764	883,764
Provision for decline in value of Investments	380,034	0
TOTAL	<u>279,879,891</u>	<u>251,319,704</u>
SCHEDULE 13 : INTEREST		
Interest on Fixed Loans	949,518	210,873
Other Interest	8,159,989	6,114,353
TOTAL	<u>9,109,507</u>	<u>6,325,226</u>

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 lives of such assets:

The management estimates the useful lives 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 are stated at lower of book value or their estimated net realisable value.

3 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.

4 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 Provision for diminution in value is made whenever necessary.

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

5 Excise duty

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

6 Amalgamation Expenses :

Amalgamation Expenses are amortised equally over a period of six years beginning with the year of payment.

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 other than those relating to the liabilities for fixed assets that are adjusted to the cost of the related fixed assets.

iii The premium or discount on forward exchange contracts is recognised in the profit and loss account over the period of the contract.

9 Retirement 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, except in case of certain employees, where the same is provided on the assumption that such benefit is payable at the end of the year.

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 assumption that such benefit is payable at the end of the year.

10 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.

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS
1. Contingent Liabilities :

	Rs. Lacs 2004/05	Rs. Lacs 2003/04
a. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for	1315.00	67.21
b. Guarantees given by Bank to third parties	341.17	507.74
c. Claims made against the Company not acknowledged as debts	0.00	2.21
d. Disputed Income Tax Demands (not acknowledged) against which Company / Department has preferred an appeal	95.55	106.74
e. Disputed Wealth Tax Demands (not acknowledged) against which Company / Department has preferred an appeal	3.40	3.40
f. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal before CEGAT , Special Bench, "B" New Delhi	4.55	4.55
g. Disputed demand of Gujarat Electricity Board pending at Apex Court	4.22	4.22
h. In respect of matter pending in labour court, estimated at	0.75	0.75
i. 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 finalisation of agreement with the employees.		

2 Information pursuant to part II of Schedule VI.
2 (A) Capacities and Production (rounded off to the nearest Metric Ton) @

	Capacity		Production	
	Licensed	Installed	Own Account 2004/05	Job work basis 2004/05
Enamelled Round Copper Winding Wires & Rectangular Strips — covered / non-covered	38000	15950		
Wire Enamels	(28000)	(15250)		
	1500	1500		
	(1500)	(1500)		
Resins / Phenolic Resin	250	0		
	(250)	(0)		
			Own Account 2003/04	Job work basis 2003/04
Enamelled Round Copper Winding Wires			11995	1776
Bare Copper Wires Own account			0	1411
Job work - Inter Unit Unit I			0	18
Job work - Inter Unit Unit II			0	497
Job work - Inter Unit Palej Unit			0	136
Total			0	651
Wire Enamels			841	0
(Including captive consumption of 63 MT (64 MT))			592	0

@ As certified by the Managing Director

2 (B) Sales and Processing Income

Sr No.	Product	M.Tons (Rounded off)	Rupees
1	Enamelled Round Copper Winding Wires		
	— Own account	12140	2981381541
		(10785)	(2113423737)
	— Jobwork account	1777	137161960
		(1411)	(96845764)
2	Bare Copper Wires		
a)	Own account	0	0
		(297 Kgs)	(53476)
b)	Job work - Inter Unit Unit I	18	+
		(287)	(+)
	Unit II	497	+
		(288)	(+)
	Palej	136	+
		0	(+)
		651	+
		(575)	(+)

+ Value excluded from Profit & Loss account on consolidation.

(In addition, Excise Duty paid Rs. 28,69,923/- (NIL) on Inter Unit transfer is included in Gross Sales & Excise Duty)

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

B. NOTES ON ACCOUNTS (Contd.)

Sr No.	Product		M.Tons (Rounded off)	Rupees
3	Wire Enamels			
	a) Sale		8 (1)	968484 (121800)
	b) Inter Unit Transfer	Unit I		+
				(392)
		Unit II	714	+
			(108)	(500)
				(+)

(In addition, Excise Duty paid Rs. 1,24,44,720/- (Rs. 92,59,679/-) is included in Gross Sales & Excise Duty + Value excluded from Profit & Loss account on consolidation.

4	Waste and Scrap of Copper		476 (427)	82511198 (52107085)
5	Others			1031925 (1031400)

(In addition, Excise Duty paid Rs. 6,64,297/- (Rs. 5,62,260/-) on Inter Unit transfer is included in Gross Sales & Excise Duty)

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	99 (266)	15146783 (29908626)	80 (99)	14143220 (15146783)
2	Copper in Transit	0 (29)	0 (3223425)	0 (0)	0 (0)
3	Enamels & Chemicals	208 (277)	23217348 (29853007)	456 (208)	48510164 (23217348)
4	Material under process	144 (169)	24146059 (21209627)	192 (144)	36062631 (24146059)
5	Finished Goods				
	(a) - Enamelled Round Copper Winding Wires	404 (373)	88901912 (61343813)	251 (404)	59246427 (88901912)
	(b) - Wire Enamel	27 (0)	2858103 (0)	82 (27)	8505406 (2858103)
6	Copper Scrap	4 (393 Kgs)	631467 (36595)	0 (4)	0 (631467)

2 (D) Raw Material Consumed

Sr. No.	Description		M.Tons (Rounded Off)	Rupees
1	Copper			
	a) Own Account	#	12108 (10932)	2046132972 (1390893595)
	b) Supplied by customers for production of Enamelled Wire on Job Work basis		1784 (1417)	Not Applicable (Not Applicable)
	c) For Bare Copper Wire produced			
	For Inter Unit Transfer on job work basis	Unit I	18	+
	For Inter Unit Transfer on job work basis	Unit II	497	+
	For Inter Unit Transfer on job work basis	Palej Unit	136	+
			651	+
			(576)	(+)

/ + Quantity and Value of consumption of copper for Bare Wire produced on job work for Inter Unit transfer is included in Quantity and Value of consumption of Copper - Own Account.

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

Sr. No.	Description	M.Tons (Rounded Off)	Rupees
2	Enamels and Chemicals		
	a) Own Account	1464 (1320)	141351548 (125123008)
	[Includes chemicals used for production of enamels 875 MT (616 MT) / Rs.6,84,03,718/- (Rs.4,86,50,893)]		
	b) Supplied by customers for production of enamelled copper wires on Jobwork basis.	17 (15)	N.A. (N.A.)
		2004/05 Rupees	2003/04 Rupees
2 (E)	Value of Imports calculated on CIF Basis. (Including Material in Transit)		
1.	Raw Materials	73971366	39077729
2.	Consumable Stores & Spares and repairs to Plant	6196529	2911188
3.	Capital Goods	33588905	35081802
2 (F)	Value of Raw Materials and Stores & Spares consumed:	<u>Percentage</u>	<u>Value</u>
a.	Raw Materials :		
	Imported	3 (4)	59412730 (53755484)
	Indigenous	97 (96)	2128071790 (1462261119)
		<u>100 (100)</u>	<u>2187484520 (1516016603)</u>
b.	Stores & Spares :		
	Imported	39 (37)	8460621 (6111364)
	Indigenous	61 (63)	13253959 (10624125)
		<u>100 (100)</u>	<u>21714580 (16735489)</u>
		2004/05 Rupees	2003/04 Rupees
2 (G)	Expenditure in foreign Currency		
	Technology Transfer Cost	1483916	1041816
	Testing/Membership Fees	11040	19625
	Miscellaneous payments	0	64818
	Travelling	130641	605458
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	5227859	2576482

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

B. NOTES ON ACCOUNTS (Contd.)

	2004/05 Rupees	2003/04 Rupees
2 (J) Remuneration to Auditors (Including Service Tax as applicable)		
i) Remuneration to Auditors		
(a) Audit Fees.	220400	216000
(b) Tax Audit Fees.	33060	32400
(c) Certification Fees.	13519	22066
(d) Taxation Matters.	32202	49500
Total	299181	319966

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 (K) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :		
Manufacturing	(103258)	0
Administration & Selling Expenses	(207711)	(191664)
Sales Tax	7404	0
	(303565)	(191664)

2 (L) (a) Computation of profits in accordance with Section 198 of the Companies Act, 1956 :		
Net Profit before Tax	226385580	175093525
Less :		
Profit on Sale of Investments	(795324)	0
Add :		
Directors' Remuneration *	16385458	10935922
Directors' sitting fees	275000	153000
Loss on sale of Investments	0	2152794
Loss on sale of assets	2812001	385326
Provision for decline in value of investments	380034	
Provision for decline in value of investments (Written back)	0	(1144024)
Preliminary/Deferred Revenue Expenses	197,444	197445
Amalgamation Expenses written off	883764	883764
	246523957	188657752
Net Profit for Section 198 of the Companies Act	246523957	188657752
10 % (10%) of Net Profit as above	24652396	18865775
Commission payable @ 1% (1%) of Net Profit as above to each of three Directors	7395719	5659733
- Total 3% (Previous Year -3%)		
Restricted to 50% of salary of each Working Director	-	2850000
Total Commission for the Year to three working Directors	7395719	2850000

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.

(b) Remuneration paid / payable during the year to Managing / Whole time Directors*		
Salary	6700000	5700000
Leave Encashment	0	0
Leave Travel Allowance	633333	900000
House Rent Allowance	300000	300000
Perquisites	552406	501922
Contribution to Provident & Pension Funds	804000	684000
	8989739	8085922
Commission	7395719	2850000
	16385458	10935922

* Excluding Provision for Gratuity Rs. 4,61,540/- (Rs.10,09,615/-) other than on actuarial valuation and provision for leave salary Rs. 5,86,923/- (Rs. 8,78,269/-)

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS (Contd.)

3 Term Loan and Working Capital Borrowings from Bank of Baroda, in addition to personal guarantees of three directors, are secured, by way of first charge on Plant and Machinery and other Fixed Assets (existing as well as to be purchased), Stock-in-Trade, Book Debts and Equitable Mortgage of Land & Factory Buildings of the Company.

4 In accordance with the Guidance Note on Accounting Treatment for Excise Duty issued by The Institute of Chartered Accountants of India, the Excise Duty on Finished Goods lying in Bonded Store Rooms of the factories, estimated at a) Rs. 32,53,631/- (Rs. 29,22,442/-) + b) Rs 7,55,992/- (Rs.19,81,215/-) + c) Rs. 31,62,275/- (Rs.40,42,505/-) for individual Units aggregating to Rs. 71,71,898/- (Rs.89,46,162/-) has been included in the valuation of finished goods inventory. There is no impact on the profits of the Company due to the above treatment. The above amount of Rs.71,71,898/- (Rs. 89,46,162/-) included in the amount of Excise Duty of a) Rs. 22,79,91,006/- (Rs. 15,97,08,447/-) + b) Rs. 13,52,73,098/- (Rs. 8,54,83,610/-) + c) Rs. 8,90,73,736/- (Rs.8,35,98,106/-) for individual Units, aggregating to Rs. 45,23,37,840/- (Rs.32,87,90,163/-) appearing in the Profit and Loss Account as deduction from Sales and Processing Income

5 As the Company operates in the single business segment of Enamelled Copper Winding Wires, 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.

6 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	Master 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	2004-05 Rupees	2003-04 Rupees	
Rent Paid	614640	834240	Relatives
Security Deposit Given for Premises (Paid in Prior Year)	2000000	5300000	Relatives
Remuneration	16385458	10935922	Key Management Personnel

c) The Company does not have any Subsidiary Company.

7 a) The following being Inter Unit Transactions during the year have been excluded in these Accounts

	2004/05 Rupees	2003/04 Rupees
Sales & Processing Income / Purchase - Copper Wire Rods	2425165	1949013
Sales & Processing Income / Purchase - Enamels etc.	72053106	52435563
Sale & Processing Income / Stores & Spares/Packing	2088175	1823994
Other Income / Rent paid	0	0
Other Income / Interest Paid	0	0
Other Income / Other Expenses	90000	90000
Sundry Creditors / Lease Rent Deposit (paid in prior years)	0	0

b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March 2005 has been excluded from the valuation of relevant closing stock.

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

Sr. No.	Scheme	Face Value Rs	No. of Units Purchased & Sold	Amount Invested Rs
1	BOB Liquid (Growth) Fund	10/-	0 (13,54,831)	0 (1,50,00,000)
2	BOB Liquid (Dividend) Fund	10/-	11634710 (4,520,201)	12,00,00,000 (5,00,00,000)

9 Income from Investments consists of (a) Dividends from Companies Rs. 1,59,000/- (Rs 2,10,000/-) and (b) Dividends from Units of Mutual Funds - Rs. 5,01,743/- (Rs. 21,52,883/-)

10 Amounts due to Small Scale Industrial Undertakings, and outstanding for a period exceeding 30 days are :

Roots Cooling Systems (P) Ltd Rs. 14,275/-

The amounts due to the above SSI Sundry Creditors are in accordance with the terms of the contracts and since paid fully.

11 During the year, the Company has made a provision for loss of Rs. 1,34,528/- (Rs. 62,34,367/-) towards scrapping of certain items of Plant & Machinery on account of technological obsolescence of such machinery.

12 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. 36,25,795/- (Rs. 15,70,555/-) which are meant for specific machines and use whereof 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. During the year, the written down value of such capitalised spares actually put to use, aggregating to Rs. 7,76,865/- (Rs.10,73,140/-) is charged to Profit and Loss Account under the head "Repairs

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

B. NOTES ON ACCOUNTS (Contd.)

and Maintenance, Machineries". The original cost and accumulated depreciation thereof has been reduced from the Block of Fixed Assets.

- 13 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.

	2004-05	2003-04
a Profit after tax	153202034	127410640
b Number of Shares	10463623	10463623
c EPS	14.64	12.18
d Facevalue per share	10.00	10.00

14 Implementation of Accounting Standard-28

During the current year, the company has implemented Accounting Standard 28 ('AS-28') on Impairment of Assets, issued by the Institute of Chartered Accountants of India ('ICAI'), which is mandatory from financial years beginning April 1, 2004.

As required by AS-28, the company has reviewed potential generation of economic benefits from fixed assets and concluded that certain Plant and Machineries (being cash generating units as defined in the Accounting Standard) employed in the manufacturing business of the Company at Palej Unit and Unit-I, Silvassa are currently not foreseen to generate adequate returns over their useful lives.

The main indicator identified for impairment is under / non-utilisation of the said Plant and Machineries.

Consequently the said Plant and Machineries have been written down to their recoverable amount, being the net selling price (determined based on management estimates.)

In accordance with the transitional provisions of AS-28, the impairment loss of Rs. 1,17,25,720/- [Gross -Rs. 1,82,85,726/- and deferred tax credit of Rs.65,60,006/- thereon] has been adjusted against the opening balance of general reserves at April 1, 2004, since the impairment indicators existed prior to March 31, 2004.

15 Accelerated Depreciation

During the year under review, the company has revised estimate of the useful life of certain Fixed Assets being Computers, Office Equipments and Furniture and Fixtures. The said revised estimated useful life is less than that originally estimated based on the depreciation rates under Schedule XIV of the Companies Act, 1956.

Consequently the written down value of the said assets is amortised over the remaining useful life of the assets. As a result of the above the depreciation charge for the year is higher by Rs. 63,28,177/- and consequently the profits for the year and Net Block of fixed assets as at 31.3.2005 are lower by the same amount.

16 Insurance Claim :

During the year under review, there was flash flood in Silvassa area and also at Silvassa Units of the Company. Flood-related expenses for repairs to machineries aggregating to Rs. 28,58,100/- (Rs. 19,98,740/- + Rs. 8,59,360/-) were debited to the relevant expenses account. Whereas claim of Unit-II for damage to Current Assets and Plant & Machinery has been settled by the Insurance Companies, for Unit-I, claims lodged are under consideration and the same will be accounted on settlement thereof.

- 17** Figures in brackets pertain to the previous year.

- 18** 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
Member Ship No. 39755

Mumbai,
Dated 10th June, 2005

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya R. Kunder Company Secretary

Upen Shah Vice-President

Mumbai,
Dated 10th June, 2005

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details :

Registration No. 11-54356 State Code 11 (Ref. Code List 1)

 Balance Sheet Date : Date Month Year
 31 03 2005

II Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	1034330	Total Assets	1034330
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Sources of Funds :

Paid-up Capital	104644	Reserves & Surplus	734702
Secured Loans	114408	Unsecured Loans	0
Deferred Tax Liability	80576		

Application of Funds :

Net Fixed Assets	577242	Investments	17179
Net Current Assets	438526	Misc. Expenditure	1383
Accumulated Losses	NIL		

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

Turnover	3225888	Total Expenditure	2999502
+ Profit/ -Loss Before Tax	226386	+Profit/ -Loss After Tax	153202
Earning Per Share Rs.	14.64	Dividend Rate %	34%

V Generic Names of Three Principal Products/Service of Company

i) Item Code No. (ITC Code) 85441101

Product Description : Winding Wires of Enamelled Copper

The Company deals in only one product.

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya R. Kunder Company Secretary

Open Shah Vice-President

 Mumbai,
 Dated 10th June, 2005

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2005.

	Rupees in Lacs	
	31.03.2005	31.03.2004
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	2,263.85	1,750.94
Add / (Deduct) : Adjustments for		
Interest	91.10	63.25
Depreciation (net)	460.51	367.26
Preliminary Expenses / Deferred Revenue Written off	1.97	1.97
Amalgamation Expenses Written off	8.84	8.84
(Profit)/Loss on sale of assets	28.12	3.85
Imported Spares Written off	7.77	10.73
(Refer Note No 12 in Notes to Accounts Sch 14)		
Provision for Loss on Fixed Assets Scrapped / Discarded	1.35	62.34
Profit / Loss on sale/write-off of Investment	(7.95)	21.53
Provision for Decline in Value of Investments	3.80	-
Provision for Decline in Value of Investments Written Back	-	(11.44)
Income from investments	(6.61)	(23.63)
	<u>588.89</u>	<u>(23.63)</u>
Operating Profit before working capital changes	2,852.74	2,255.64
Add / (Deduct) Adjustments for :		
Trade and Other Receivables	(1,301.41)	(1,146.35)
Inventories	(197.05)	(87.45)
Trade and Other Payables	2,229.05	769.31
Loans and Advances	(988.03)	(74.08)
Other Current Assets	(12.27)	68.44
	<u>(269.71)</u>	<u>68.44</u>
Cash generated from operations	2,583.03	1,785.51
Direct Taxes paid (net of refunds)	(686.24)	(509.83)
	<u>(686.24)</u>	<u>(509.83)</u>
Cash flow before extraordinary items	1,896.79	1,275.68
Extraordinary items	-	-
	<u>-</u>	<u>-</u>
Net cash from operating activities	1,896.79	1,275.68
B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)		
Purchase of fixed assets (including Capital Work In Progress)	(1,165.05)	(860.08)
Proceeds from Sale of Fixed assets	3.46	1.19
Investments In Units Of Mutual funds	(1,200.00)	(800.00)
Proceeds of sale of investments/Units of Mutual Funds	1,207.96	628.57
Income from Investments	6.61	23.63
	<u>6.61</u>	<u>23.63</u>
Net cash generated / (used) in investing activities	(1,147.02)	(1,006.69)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in / (Repayment of) term loans	550.00	(109.91)
Increase / (Decrease) in Bank borrowings	(215.92)	274.76
Interest paid	(91.10)	(63.25)
Dividends paid	(375.99)	(443.50)
	<u>(375.99)</u>	<u>(443.50)</u>
Net cash generated/(used) in financing activities	(133.00)	(341.90)
Net increase/(decrease) in cash equivalents	616.77	(72.91)
Cash and cash equivalents as at 1st April	886.12	959.03
Cash and cash equivalents as at 31st March	1,502.89	886.12

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 S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner
Member Ship No.39755
Mumbai,
Dated 10th June, 2005

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director
Milan M. Mehta Vice Chairman & Managing Director

Sanjaya R. Kunder Company Secretary

Upen Shah Vice-President

Mumbai,
Dated 10th June, 2005



PRECISION WIRES INDIA LTD.

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

16TH ANNUAL GENERAL MEETING 2004-2005

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 **16th Annual General
Meeting** of the Company to be held on **Thursday, 28th July, 2005** at 10.00 a.m. and any adjournment thereof.

Signed this _____ day of _____ 2005

*DP Id: _____ *Client Id: _____

Reg. Folio No.: _____

No. of Shares held _____

Signature _____

Affix
30 Paise
Revenue
Stamp

NOTE:

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 LTD.

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)

Regd. Folio No.: _____ *DP Id: _____ *Client Id: _____

No. of Shares held _____

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Thursday, 28th July, 2005** 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.