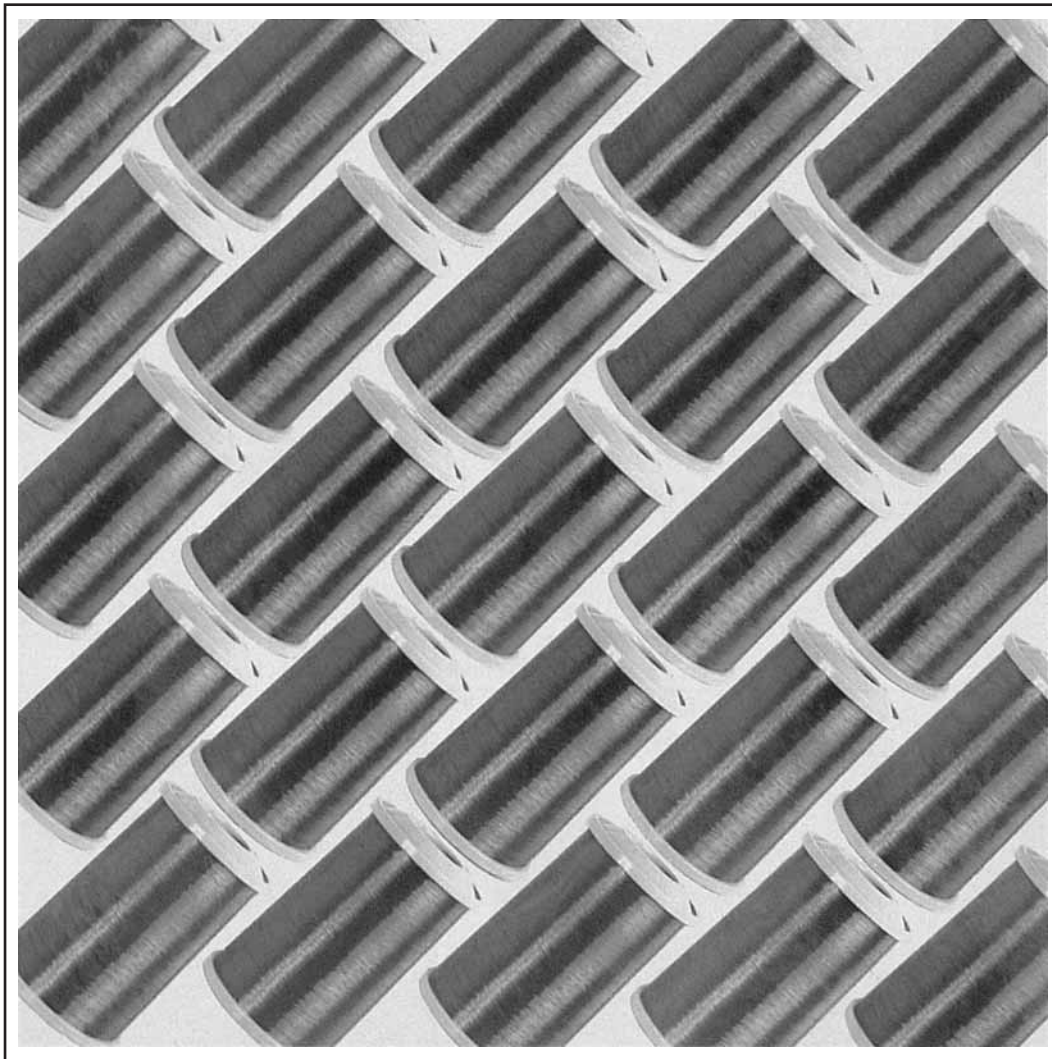


24th

Annual Report  
2012-2013



PRECISION WIRES INDIA LIMITED

**Financial Highlights**

Rupees in Lacs

	2012/13	2011/12	2010/11	2009/10	2008/09
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1156.36	1156.36
Reserves & Surplus	19063.43	17992.69	16982.86	14690.29	13023.26
Provision for Deferred Tax Liability (Net)	1691.83	1672.98	1784.11	1739.36	1590.34
Current Assets	39241.27	30122.38	32631.37	21849.16	16263.92
Current Liabilities	30355.87	23885.44	20543.93	11806.35	7704.37
Inventories	9813.43	7610.71	4876.66	2871.95	4247.26
Sundry Debtors	19260.05	16834.52	19187.81	13742.37	7865.63
Creditors	17732.12	15317.87	14878.18	10194.97	6938.09
Secured Loans	5373.65	5226.70	5448.51	5408.71	6024.97
Financial Charges	506.85	595.32	477.04	463.22	398.42
Depreciation	1257.41	1293.52	1224.74	1087.82	1032.22
Income Tax (incl. Deferred Tax)	792.41	549.78	1556.53	929.60	15.60
Total Dividend paid Rs. Per Equity Share	@ 4.00	3.00	6.00	4.40	0.80
Book Value of Shares Rs.	174.85	165.59	156.86	137.04	122.62
E.P.S. Rs.	13.80	12.23	26.81	19.56	1.00
No. of Shareholders	8537	8988	9191	8378	7952

@ Proposed



## PRECISION WIRES INDIA LIMITED

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### BOARD OF DIRECTORS :

Shri Mahendra R. Mehta – Chairman and Managing Director & CEO  
Shri Milan M. Mehta – Vice Chairman and Managing Director  
Shri Deepak M. Mehta – Whole-time Director

Shri P. N. Vencatesan\*

Shri Vijay M. Crishna\*

Shri A. P. Kothari\*

Shri P. R. Merchant\*

Shri Pradip Roy \*

\*Independent & Non-Executive Directors.

**COMPANY SECRETARY** : Ms. Rajni M. Lalwani

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

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

**REGISTERED OFFICE** : Saiman House, J. A. Raul Street,  
Off Sayani Road, Prabhadevi,  
Mumbai - 400 025.  
Telephone No. : (022) 2437 6281  
Email Id : mumbai@pwil.net  
Website : www.precisionwires.com

### WORKS :

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

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

### REGISTRARS AND TRANSFER AGENTS :

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

Equity Shares are listed on the following Stock Exchanges :

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

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

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**NOTICE TO MEMBERS**


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NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Precision Wires India Limited will be held on Wednesday, 7<sup>th</sup> August, 2013 at 2.30 P.M. at the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai - 400 019, to transact the following businesses:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri P. N. Vencatesan who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri Pratap R. Merchant who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for re-appointment.
5. To appoint S. R. Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

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

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

**Special Business:**

6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:  
RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 or any statutory amendments or modifications thereto and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves the re-appointment of Shri Deepak M. Mehta as Whole-time Director of the Company for a period of Three years with effect from 1<sup>st</sup> August, 2013 to 31<sup>st</sup> July, 2016, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 29<sup>th</sup> May, 2013, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 29<sup>th</sup> May, 2013, is hereby specifically approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration-Cum-Selection Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Deepak M. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956, or any statutory amendments and modifications thereto, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between Board of Directors and Shri Deepak M. Mehta.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of

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

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

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

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

RESOLVED THAT pursuant to Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications, amendments or enactment thereof for the time being in force and as may be enacted from time to time (hereinafter referred to as "the Act") and subject to the approval of the Central Government and such other approvals or consents as may be necessary, the consent of the Company be and is hereby accorded to Shri Nirbhay Deepak Mehta, son of Shri Deepak Mehta, Whole-time Director, Grandson of Shri Mahendra Ratilal Mehta, Chairman and Nephew of Shri Milan Mahendra Mehta, Managing Director of the Company, to hold office and place of profit in the company for a period of three years with effect from 1<sup>st</sup> August, 2013 on remuneration and such other terms and conditions as set out in the appointment letter dated 29<sup>th</sup> May, 2013 a copy whereof initialed by the Chairman of the Company for the purpose of identification and placed before the Meeting which letter of appointment is hereby specifically approved.

RESOLVED FURTHER THAT the Managing Directors of the Company and the Secretary of the Company be and are hereby severally authorized to make, sign and submit the application to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt that may arise in giving effect to this resolution, do all such acts, deeds and things, sign and execute all documents including to alter, vary and modify the terms and conditions of the said appointment letter issued to Shri Nirbhay Deepak Mehta and approved at this meeting and to take such steps as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

**By Order of the Board**

**Rajni M Lalwani**  
Company Secretary

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

Mumbai  
29<sup>th</sup> May, 2013.

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

- 1) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 & 7 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 1<sup>st</sup> August, 2013 to 7<sup>th</sup> August, 2013 (both days inclusive) for payment of Dividend.
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2<sup>nd</sup> Floor, Sakinaka, Mumbai-400072, the Registrar and Share Transfer Agents of the Company or to their respective Depository participants, in case shares are held in electronic mode.
- 7) The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid to those share holders whose names stand on the Register of Members as on 7<sup>th</sup> August, 2013.
- 8) Members are requested to note that Dividends not encashed or remaining unclaimed within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund (IEPF) established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended up to 31.03.2005 has been transferred to IEPF of the Central Government. Dividend for financial year ended 31.3.2006 declared on 31.08.2006 is due for such transfer to IEPF on or about 30.8.2013. Vide Notification No. GSR 352[E] dated 10<sup>th</sup> May, 2012, the Ministry of Corporate Affairs has mandated filing of information regarding unpaid/ unclaimed Dividend Amounts on the website of the Ministry of Corporate Affairs and of the Company. This will be complied within the prescribed time limit, after which Members would be able to access this information on the above referred websites. It may be noted that once unclaimed dividend is transferred to the Central Government, no claim shall lie in respect thereof.
- 9) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- 10) Brief note on the background and functional experience of Independent Directors proposed to be re-appointed at the ensuing Annual General Meeting as per Item Nos. 3 and 4 of this Notice, pursuant to Clause 49 of the Listing Agreement are as under:

<b>NAME OF THE DIRECTOR</b>	<b>Shri P. N. Vencatesan</b>	<b>Shri Pratap R. Merchant</b>
<b>DATE OF BIRTH &amp; AGE</b>	18 <sup>th</sup> August, 1926, AGE: 87 Years	2 <sup>nd</sup> March, 1935 AGE: 78 Years
<b>DATE OF APPOINTMENT</b>	Appointed as Additional Director on 11.9.1991 and as Director on 25.9.1992 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 03.08.2011.	Appointed as Additional Director on 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 03.08.2011.
<b>EXPERTISE IN SPECIFIC FUNCTION</b>	Renowned Management Consultant	Ex-Banker, having rich experience in Banking & Finance Sectors.
<b>QUALIFICATIONS</b>	Chartered Accountant	B.Com., CAIIB - I
<b>LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD AS ON 31<sup>ST</sup> MARCH, 2013</b>	None	a) KJMC Asset Management Co. Ltd. b) Geecee Ventures Ltd.

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**NOTICE TO MEMBERS**


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<b>CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE OTHER COMPANIES ON WHICH HE IS A DIRECTOR</b>	None	a) Chairman of Audit Committee and Member of Remuneration Committee of KJMC Asset Management Co. Ltd. b) Member of Audit Committee and Member of Remuneration Committee of Geecee Ventures Ltd.
<b>Shareholding in the Company</b>	NIL	1000 [One Thousand only]

Shri P. N. Vencatesan and Shri Pratap R. Merchant are interested in their own re-appointments and none of other Directors are in any way concerned or interested in the said re-appointments.

Your Directors commend your approval to the re-appointments of Shri P. N. Vencatesan and Shri Pratap R Merchant.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company / Registrars and Transfer Agents.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Share Transfer Agent.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrars and Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., for consolidation into a single folio.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.



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**NOTICE TO MEMBERS**

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

The resolution at Item no.6 of the Notice seeks approval of the Members in respect of the re-appointment and payment of remuneration to Shri Deepak M. Mehta as Whole-time Director of the Company. The present Term of Office of Shri Deepak M. Mehta as whole-time Director expires on 31<sup>st</sup> July, 2013. The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> May, 2013, has subject to the approval of the Members of the Company in General Meeting and any other approvals as may be necessary, re-appointed Shri Deepak M. Mehta, as Whole-time Director vide letter of appointment dated 29<sup>th</sup> May, 2013, for a further period of Three Years with effect from 1<sup>st</sup> August, 2013 to 31<sup>st</sup> July, 2016.

The Principal Terms and Conditions as contained in the said Letter of Appointment dated 29<sup>th</sup> May, 2013 are as under:

**Period:**

For 3 Years with effect from 1<sup>st</sup> August, 2013 up to 31<sup>st</sup> July, 2016.

**Salary per month (p.m.):**

Rs. 2,85,000/- (Rupees Two Lacs Eighty Five Thousand only) p.m. - From 1<sup>st</sup> August, 2013 to 31<sup>st</sup> July, 2014 with increase to,

Rs. 3,00,000/- (Rupees Three Lacs only) p.m. - From 1<sup>st</sup> August, 2014 to 31<sup>st</sup> July, 2015 with increase to,

Rs. 3,20,000/- (Rupees Three Lacs Twenty Thousand only) p.m. - From 1<sup>st</sup> August, 2015 to 31<sup>st</sup> July, 2016.

**Commission:**

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

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

**Perquisites**

1. Housing:  
Rent free furnished residential accommodation. In case no residential accommodation is provided by the Company the Whole-time Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. Medical Re-imbusement:  
Reimbursement of medical expenses incurred for Shri Deepak M. Mehta and family.
3. Reimbursement of gas, electricity, water charges and furnishings.
4. Leave travel concession for Shri Deepak M. Mehta and family once in a year not exceeding one month's salary for each year. In case leave travel concession is not availed of in any year, the same shall be allowed to be accumulated subject to a maximum of three years.
5. Fees of clubs subject to a maximum of two clubs.

6. Personal accident insurance subject to a maximum premium of Rs. 10,000/- per annum and third party insurance for a maximum amount of Rs.50,00,000/-.
7. Provision of car for business as well as for personal purposes with driver.
8. Telephone & Internet connection at the residence for business as well as personal use.
9. Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.
10. Earned / Privilege Leave on full pay and allowances : As per Rules of the Company but not more than one month's leave for every eleven months of service shall be allowed.

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

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

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

**Other terms**

- a) As long as Shri Deepak M. Mehta is functioning as Whole-time Director of the Company no sitting fees will be paid to him for the meetings of the Board of Directors or any Committee thereof attended by him.
- b) The Whole-time Director shall be entitled to re-imbusement of all actual expenses, including entertainment, traveling, hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- c) Either party shall be entitled to terminate this appointment by giving to the other party ninety (90) days' notice in writing without showing any cause.

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

- (i) Remuneration -Cum- Selection Committee of the Board has approved the terms of remuneration payable to Shri Deepak M. Mehta, as mentioned hereinabove at its meeting held on 29<sup>th</sup> May, 2013, which are in accordance with the provisions of Schedule XIII to the Companies Act, 1956.
- (ii) The company has not made any default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Shri Deepak M. Mehta.

## NOTICE TO MEMBERS

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

(iii) The appointment of Shri Deepak M. Mehta as Whole-time Director of the Company with effect from 1st August, 2013 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 7<sup>th</sup> August, 2013 for payment of remuneration for a period not exceeding three years.

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

## (iv) I : GENERAL INFORMATION:

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

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

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

[4] Financial Performance based on given indicators

	2012-13 (Rs/ Lacs)	2011-12 (Rs/ Lacs)
Effective Capital	20,884.61	19428.62
Net Profit after Tax	1595.46	1414.51

[5] Export Performance & foreign exchange outgo:

Exports (FOB)	11060.12	6871.33
Foreign Exchange Outgo [net]	17800.64	14820.66

[6] Foreign Investments & Collaborations if any:

No. Foreign Investments.  
Technology Transfer Agreement with an Italian Technocrat with long experience in the Industry.

## (iv) II: INFORMATION ABOUT THE APPOINTEE:

Shri Deepak M. Mehta:

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

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

	2012-13 (Rs/ Lacs)	2011-12 (Rs/ Lacs)
Salary	29.28	27.88
Perquisites	9.42	7.31
Commission	23.76	18.54
Contribution to Provident Fund & Provision for Gratuity	3.51	3.34
Total	65.97	57.07

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

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

the position and the proposed remuneration is reasonable.

[5] Remuneration Proposed: as per the above explanatory statement, for a period of three years from 1-08-2013 to 31-07-2016.

[6] Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The company has no information to offer, but having regard to the versatile experience and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.

[7] Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel:

Shri Deepak M. Mehta is a promoter of the Company holding fully paid Equity Shares of Rs. 10/- each, amounting to 4.90% of the paid up capital of the Company. He is related to Shri Mahendra R. Mehta, CMD and Shri Milan M Mehta, Managing Director.

## (iv) III: OTHER INFORMATION:

[1] Reasons for Loss or Inadequacy of Profits:

Not applicable as Company is a profit making company at present.

[2] Steps taken or proposed to be taken for improvement:

Not applicable as the Company is a profit making company at present. However, company continues to strengthen internal procedures to control inventories and operating costs.

[3] Expected increase in productivity and profits in measurable terms:

Not applicable as the Company is a profit making company at present. However, considering the volatility in the price of the principal input of the company, copper rods, it is difficult to make any estimates of increase in productivity and profits in measurable terms.

## (iv) IV: DISCLOSURES:

[1] The Remuneration package of the Managerial Personnel for the year 01.04.2012 to 31.03.2013, is given in the explanatory statement above.

[2] The following information has been disclosed in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report for the year 2012-13:

[i] All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of all the directors;

[ii] Details of fixed component and performance linked incentives along with the performance criteria;

[iii] Service contracts, notice period, severance fees;

[iv] Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.



**NOTICE TO MEMBERS****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 [The Act].****Agenda Item No. 7:****Re-Appointment of Shri Nirbhay D. Mehta, as Manager (Commercial and Finance) of the Company:**

Shri Nirbhay Deepak Mehta is the son of Shri Deepak M. Mehta, Whole-time Director of the Company. He has completed his studies in Business Management at University of Illinois, USA and also had training of about 2 months at Ernst & Young Management Consultants, in Mumbai. He was appointed as Manager (Commercial and Finance) in the Company by the Remuneration-cum-Selection Committee and the Board of Directors at their meetings held on 13<sup>th</sup> May, 2010, for a period of three years.

Shri Nirbhay D. Mehta holds 444825 (3.85%) Equity Shares of the Company and is a part of the Promoter Group.

The Remuneration-cum-Selection Committee and the Board of Directors at their Meetings held on 29<sup>th</sup> May, 2013 have re-appointed Shri Nirbhay D. Mehta as a Manager (Commercial and Finance) in the Company for a period of three years on the terms and conditions given below.

The Re-appointment of Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company will take effect from 1<sup>st</sup> August, 2013, subject to the consent of the member of the Company in this regard at the ensuing Annual General Meeting to be held on 7<sup>th</sup> August, 2013, by a Special Resolution and shall also be subject to the approval of the Central Government. The following remuneration is proposed to be paid to Shri Nirbhay D. Mehta for a period of three years.

	01-08-2013 to 31-07-2016
	Rupees
Basic Salary Per Month	1,00,000
Conveyance Allowance Per Month	6,000
Medical Allowance Per Month	1,000
Total for the year	12,84,000
Add:	
Leave Travel Allowance	72,000
Bonus	1,20,000
Total Remuneration per Annum	14,76,000

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

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

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

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

Shri Mahendra R Mehta - Chairman and Managing Director, Shri Milan M. Mehta - Managing Director and Shri Deepak M. Mehta - Whole-time Director are relatives of each other and also relatives of Shri Nirbhay D. Mehta and therefore they may be deemed to be concerned with or interested in the Special Resolutions at item No. 6 & Item No. 7 of the accompanying Notice of Meeting of shareholders to be held on 7<sup>th</sup> August, 2013, as these items relate to Re-appointment of Shri Deepak M. Mehta as Whole-time Director and appointment and remuneration of Shri Nirbhay D. Mehta.

Save as aforesaid, none of other Directors are in any way concerned or interested in the Resolution at item No. 6 & 7 of the accompanying Notice of Meeting of shareholders to be held on 7<sup>th</sup> August, 2013.

**DOCUMENTS OPEN FOR INSPECTION:**

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

- 1] Letter of appointment dated 29<sup>th</sup> May, 2013, issued to Shri Deepak M. Mehta, referred to in the item No. 6 of the accompanying Notice.
- 2] Letter of appointment, issued to Shri Nirbhay D. Mehta, referred to in the item No. 7 of the accompanying Notice.

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

**By Order of the Board**

**Rajni M Lalwani**  
Company Secretary

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

Mumbai  
29<sup>th</sup> May, 2013.

## DIRECTORS' REPORT

**TO THE MEMBERS**

The Directors hereby present the Twenty Fourth Annual Report of your Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

**1. Financial Results :**

	(Rupees in Lacs)	
	2012-13	2011-12
Sales (including Excise Duty)	112779.45	104706.14
Less : Excise Duty	(15196.58)	(11527.51)
Sales (Net of Excise Duty)	<u>97582.87</u>	<u>93178.63</u>
Operating Profit	4025.83	3776.78
Add : Other Income	<u>126.30</u>	<u>76.35</u>
Profit before Financial Charges, Depreciation & Taxes	4152.13	3853.13
Financial Charges	(506.85)	(595.33)
Depreciation	(1257.41)	(1293.52)
Profit before Taxes & Extra-ordinary Items	2387.87	1964.28
Extra-ordinary Items	-	-
Profit before Taxes	<u>2387.87</u>	<u>1964.28</u>
Less:		
Provision for Tax	(792.41)	(549.78)
Profit after Tax	<u>1595.46</u>	<u>1414.50</u>
Add : Balance brought forward from last Account	<u>363.53</u>	<u>352.22</u>
<b>Balance available : (A)</b>	<b><u>1958.99</u></b>	<b><u>1766.72</u></b>
Which the Board of Directors have appropriated as under :		
(i) Transfer to General Reserve	1150.00	1000.00
(ii) Proposed Total Dividend @ Rs. 4.00 for the year (Previous year @ Rs. 3.00), which includes Interim Dividend @ Rs. 2.50 (Rs. 1.80), per equity share.	462.54	346.91
(iii) Corporate Tax on Dividend	<u>76.37</u>	<u>56.28</u>
<b>(B)</b>	<b><u>1688.91</u></b>	<b><u>1403.19</u></b>
<b>Balance carried forwarded in Profit &amp; Loss Account (A) – (B)</b>	<b><u>270.08</u></b>	<b><u>363.53</u></b>

**2. Dividend**

At the Meeting held on 11<sup>th</sup> February, 2013, the Directors had recommended an interim dividend @ Rs. 2.50 (25%) per equity share of Rs. 10/- each, fully paid, for the financial year 2012-13, since paid. The Directors are pleased to recommend final Dividend @ Rs. 1.50 (15%) per equity share of Rs. 10/- each, fully paid, for the year ended 31<sup>st</sup> March, 2013, making total dividend recommended of Rs. 4/- (40%) per Equity Share of Rs. 10/- each, fully paid, subject to the approval of Shareholders at the ensuing Annual General Meeting.

**3. Operations**

Our total production during the year was almost the same as that of previous year. The overall gross sales income was Rs. 1128 Cr [1047 Cr] and income, net of taxes, Rs. 976 Cr [932 Cr]. The increase in the Net Sales Income is due to higher rates of inputs consumed.

For the year, the PBDIT is 4152.13 [3853.13], Finance Charges 506.85 [595.33], Depreciation 1257.41 [1293.52], PBT 2387.87 [1964.28], Provision for Tax 792.41 [549.78], and PAT 1595.46 lacs; which is more than the previous year. Our Reserves and Surplus (excluding Revaluation) are about Rs. 19063 [17993] at the end of March 2013.

During the fiscal, the overall economic and Industrial climate was unfortunately sluggish. Electrical Equipment Manufacturing Industry registered negative growth.

High rates of interest, increase in the cost of our primary inputs, substantial volatility in the foreign exchange, inflation has resulted in the contraction of the production of the domestic Capital-Goods-sector. Due to high cost of proper grade fuel, and issues pertaining to environmental clearances, the Power-sector registered low growth.

Notwithstanding whatever has been stated in the foregoing paragraphs, your Company continues to be optimistic about future growth in the sector. India, being a power-deficit-country, the long term prospects of the Electrical Equipment Manufacturing Industry is bright. Our Government is aware of constraints and has initiated remedial measures. Our Winding Wires, as you are aware, are used in the manufacture of Electrical Equipment, which again depend on the development of Electrical Power sector.

Our Company is looking forward to the future with optimism. India will require to increase its electricity generation capacity by about four times within the next twenty years so as to be able to achieve the projected annual GDP growth of about 7% or so. Besides the Power-sector, infrastructure projects such as airports, metros etc. are expected to generate good demand for electrical equipment. However, the industry will require a level playing field and safeguards against surge of imports as a result of various Trade Agreements signed by our Country. Inherent distortions arising from rapidly increasing Trade Deficit need prompt remedial actions.

Despite an adverse economic climate in the country, your Company has performed well during the year under review.

Your Company has discharged all financial obligations in time, without delay or default and continues to remain a high dividend paying Company with low-debt-gearing.

Your Company continues to be the market-leader in the field of Winding Wires in India. Export efforts continue.

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

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

The Equity Shares of the Company are compulsorily traded in dematerialized form as prescribed by SEBI. The same are registered with both National Securities Depository Ltd., Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai - 400 023, Under ISIN No. INE372C01011 common for both.



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**DIRECTORS' REPORT**

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**5. Particulars of Employees:**

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

**6. Disclosure of particulars in the Directors' Report:**

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

**7. Auditors:****a) Statutory Auditors :**

The Auditors, M/s. S. R. Divatia & Company, Chartered Accountants, Mumbai, who have 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 2013-14. The Auditors have furnished, u/s 224 (1B) of the Companies Act 1956, Certificate of Eligibility for reappointment.

**b) Cost Auditors :**

The Cost Accounting records maintained by the Company for Products covered under Central Excise Tariff Act, 1985 Chapter Heading 8544 (Winding Wires Made of Copper) are subject to yearly audit by qualified Cost Auditors.

Based on the Audit Committee recommendation at its meeting held on 28<sup>th</sup> May, 2012, the Board has appointed M/s. Gangan & Co., Cost Accountants as the Cost Auditor of the Company for the Financial Year 2012-13.

**8. Corporate Governance:**

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

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

**9. Directors' Responsibility Statement:**

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

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- ii. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year ended 31<sup>st</sup> March, 2013 and of the profit of the Company for that period;

- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. that the directors had prepared the annual accounts for the year ended 31<sup>st</sup> March, 2013, on a going concern basis.

**10. Directors:**

- a) The term of appointment of Shri Deepak M. Mehta, Whole-time Director, expires on 31<sup>st</sup> July, 2013. On the recommendation of Remuneration-Cum-Selection Committee, the Board of Directors have, at their meeting held on 29<sup>th</sup> May, 2013, re-appointed Shri Deepak M. Mehta as Whole-time Director for a further period of three years from 1<sup>st</sup> August, 2013 subject to the approval of the Members of the Company at the ensuing Annual General Meeting and other statutory approval required, if any.

- b) In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri P. N. Vencatesan and Shri P. R. Merchant retire by rotation and are eligible for re-appointment.

**11. Acknowledgements**

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

**For and on behalf of the Board**

**Mahendra R. Mehta**  
Chairman and Managing Director

Mumbai,  
Dated 29<sup>th</sup> May, 2013

**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 31<sup>st</sup> March, 2013.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of Employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	84	–	Chairman & Managing Director	June 1975	61	71,17,749	Chairman & M.D of Erstwhile Atlas Wires Ltd.
Shri Milan M. Mehta	50	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	28	1,28,06,266	Technical Director of Erstwhile Atlas Wires Ltd.
Shri Deepak M. Mehta	56	B.Com	Whole-time Director	January 1989	33	65,97,102	Whole time Director of Erstwhile Atlas Wires Ltd.

Notes :

- (1) All the above persons are relatives of each other
- (2) The above employments are contractual in nature.
- (3) Remuneration (Gross) includes Salary, Commission, taxable value of perquisites, Company's contribution to Provident Fund and provision for the year for Retirement Gratuity in case of Shri Mahendra R. Mehta and Shri Milan M. Mehta, Managing Directors, who each beneficially own more than 5% of the Paid-up Share Capital of the Company, and are ineligible on this ground for entitlement to retirement gratuity payment through the Trust created. Gratuity provision in the current year, therefore, has been made at Rs. 4,78,846/- for Shri Mahendra R. Mehta and Rs. 17,01,923/- for Shri Milan M. Mehta. Shri Deepak M Mehta is entitled for payment of gratuity through the Trust but since a separate computation of gratuity liability for the year is not available from actuarial valuation in this regard, the same has not been included in his gross remuneration.

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

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

**2. Technology Absorption**

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

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

- 1) Special areas in which R & D Carried out by the Company –
- 2) Benefits derived as a result of the above R & D –
- 3) Future plan of action Energy conservation.
- 4) Expenditure on R & D –

**Technology Absorption, Adaptation and Innovation :**

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 –

**3. Foreign Exchange Earnings and Outgo :**

Earnings	Rs. 11,060 (6,871)
Outgoings	Rs. 17,801 (14,821)

**Declaration on Compliance of the Company's Code of Conduct**

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

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

Mumbai,  
Dated 29<sup>th</sup> May, 2013

**Mahendra R. Mehta**  
Chairman & CEO



**CORPORATE GOVERNANCE REPORT FOR THE YEAR 1<sup>ST</sup> APRIL, 2012 TO 31<sup>ST</sup> MARCH, 2013  
(ANNEXURE III TO THE DIRECTORS' REPORT)  
(as required under clause 49 of the Listing Agreements with the Stock Exchanges)**

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

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

**2. Board of Directors:**

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

Composition and category of Directors			Member of other Boards or Other Board Committees		Attendance		
Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meeting of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R. Mehta	Chairman and Managing Director	Promoter, Executive	-	-	5	5	Yes
Shri Milan M. Mehta	Vice-Chairman and Managing Director	Promoter, Executive	1	1	5	4	Yes
Shri Deepak M. Mehta	Whole-time Director	Promoter, Executive	-	-	5	5	Yes
Shri Vijay M. Krishna	Director	Non-Executive, Independent	3	-	5	1	No
Shri P. N. Vencatesan	Director	Non-Executive, Independent	-	-	5	5	Yes
Shri P. R. Merchant	Director	Non-Executive, Independent	2	C = 1 M = 3	5	5	Yes
Shri A. P. Kothari	Director	Non-Executive, Independent	7	-	5	5	No
Shri Pradip Roy	Director	Non-Executive, Independent	5	M = 2	5	4	Yes

C = Chairman of Board Committee in other companies

M = Member of Board Committee in other companies

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

Number of Board Meetings held and dates on which held:

Five Meetings of the Board of Directors were held, on 16-04-2012, 28-05-2012, 09-08-2012, 05-11-2012 and 11-02-2013 and the gap between two meetings did not exceed four months.

Annual General Meeting (AGM) of the company was held on 09-08-2012.

**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:

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

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

During the year, FIVE Meetings of the Audit Committee of the Board of Directors were held, on 16-04-2012, 28-05-2012, 09-08-2012, 05-11-2012 and 11-02-2013.

Name of the Members	Category	Audit Committee Meeting	
		Held	Attended
Shri P. N. Vencatesan, Chairman (Chartered Accountant)	Independent, Non-Executive	5	5
Shri P. R. Merchant (Retired Senior Banker)	Independent, Non-Executive	5	5
Shri A. P. Kothari (Technocrat-Entrepreneur)	Independent, Non-Executive	5	5
Shri. Pradip Roy	Independent, Non-Executive	5	4

#### 4. Remuneration-Cum-Selection Committee:

Brief description of Terms of Reference:

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

##### Composition, name of members, Chairperson and attendance :

The Remuneration-Cum- Selection Committee comprises of Four Independent & Non-Executive Directors - Shri P. N. Vencatesan (Chairman), Shri P. R. Merchant (Member), Shri A. P. Kothari (Member) and Shri Pradip Roy (Member). During the year, there was no meeting of the Remuneration-Cum-Selection Committee was held.

##### Remuneration Policy:

The remuneration of Executive Directors and their relatives employed in the Company is approved by the shareholders at their Meetings on the basis of recommendations of the Remuneration-Cum-Selection Committee and the Board of Directors. The recommendations by these bodies are based on trends in the industry, appointee's qualifications, experience and past performance. Non-Executive Directors do not receive any remuneration except the sitting fees for attending Meetings of the Board of Directors and / or the Committees of Directors.

Details of remuneration to all the Directors are as under:

[i] Gross Remuneration paid / payable to Executive Directors for financial year 2012-13.

Name of Director and Service Contract	Salary Rs.	Commission Rs.	Perquisites # Rs.	Contribution to PF & Provision for Gratuity Rs.	Total Rs.
Shri Mahendra R. Mehta (Re-appointed w. e. f. 01.10.2011 for 3 years)	32,10,000	23,75,718	6,67,985	* 8,64,046	71,17,749
Shri Milan M. Mehta (Re-appointed w. e. f. 01.04.2012 for 3 years)	66,00,000	23,75,718	13,36,625	** 24,93,923	1,28,06,266
Shri Deepak M. Mehta (Re-appointed w. e. f. 01.08.2010 for 3 years)	29,28,000	23,75,718	9,42,024	3,51,360	65,97,102

# Perquisites include Reimbursement of medical expenses for self and family, Reimbursement of gas, electricity, water charges and furnishings, Leave travel concession for self and family once in a year not exceeding one month's salary for each year, accumulated subject to a maximum of three years, Fees of clubs subject to a maximum of two clubs, Leave Encashment at end of contract, wages of servants and personal drivers. The above Directors are not entitled to Bonuses, but are entitled to Provident Fund and Retirement Gratuity in accordance with Law.

\* Includes Provision for Gratuity of Rs. 4,78,846/-

\*\* Includes Provision for Gratuity of Rs. 17,01,923/-

The variable component of above remuneration is the payment of Commission based on profits of the Company computed as per provisions of Section 198 of the Companies Act, 1956. There is no other performance linked component of the remuneration. The employments are contractual, for a period of three years, terminable by notice in writing of 90 days by either side. No severance fees are payable to any of the managerial personnel. The Company does not have Stock Option plan for its employees or other Managerial Personnel.

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

[ii] Remuneration paid to Non-Executive Directors for financial year 2012-13.

	Shri P N Vencatesan	Shri P R Merchant	Shri A P Kothari	Shri V M Crishna	Shri Pradip Roy
Sitting Fees for attending Board and Committee Meetings.	Rs.85,000	Rs. 85,000	Rs. 85,000	Rs. 17,000	Rs. 68,000
Non-executive Directors are not paid any other remuneration.					

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

Name of non-executive director heading the committee : Shri P. N. Vencatesan  
Name and designation of compliance officer : Ms. Rajni M. Lalwani, Company Secretary  
Number of complaints received up to 31.3.2013 : 05 (Five)  
Number not solved to the satisfaction of shareholders as on 31.03.2013 : NIL  
Number of pending complaints : NIL

The Company has also conducted Share Capital Audit relating to the issue of shares, request for dematerialization of shares, Register of Members and changes in share capital, for every quarter.

**6. General Body Meetings :**

- i. Location and time where the last three Annual General Meetings were held & special resolutions passed thereat :

Financial Year	Date	Time	Location	No. of Special Resolutions passed at the AGMs
2011-2012	09-08-2012	02.30 p.m.	Hall of Mysore Association, 1 <sup>st</sup> Floor, 393 Bhau Daji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai-400019.	ONE
2010-2011	03-08-2011	02.30 p.m.		ONE
2009-2010	23-07-2010	02.30 p.m.		TWO

- ii. Resolutions by Postal Ballots, etc.:

Special Resolutions passed by Postal Ballot during the year - NIL.

**7. Disclosures :**

- i. Materially significant related party transactions:

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

- ii. No penalties have been imposed and no strictures have been passed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years and there are no instances of non-compliance of relevant regulatory requirements by the Company.
- iii. As a matter of policy, all employees of the company have free access to all executive and non-executive directors of the company, including the Audit Committee, and are encouraged to report any ultra virus acts or omissions.
- iv. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreements Regarding the status of the compliance with the Non-mandatory requirements of the said Clause, the Company has constituted a Remuneration-Cum-Selection Committee comprising of Non-Executive & Independent Directors.

**8. Means of communication :**

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

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

The Quarterly Financial Statements, Corporate Governance Reports & Quarterly Shareholding Pattern statements and Annual Report are available on websites of NSE and BSE. The same are also available on the Company's website <http://www.precisionwires.com>

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**9. General Shareholder Information :**

- i. **Annual General Meeting**

Day, Date, Month & Time: Wednesday, 7<sup>th</sup> August, 2013 at 02.30 P.M.

Venue : Hall of Mysore Association, 1<sup>st</sup> Floor, 393 Bhau Daji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai - 400019.

- ii. **Financial Calendar**

Financial Year 1<sup>st</sup> April 2013 to 31<sup>st</sup> March, 2014.

*Quarterly Results (Tentative) :*

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

- iii. **Date of Book closure :** From 1<sup>st</sup> August, 2013 to 7<sup>th</sup> August, 2013 (both days inclusive).

iv. **Dividend payment date :**

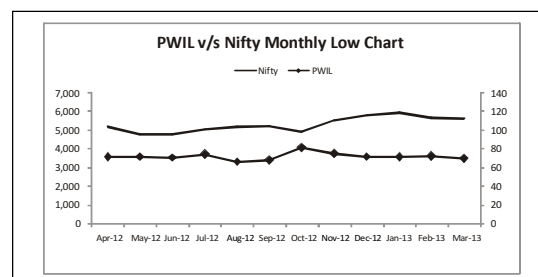
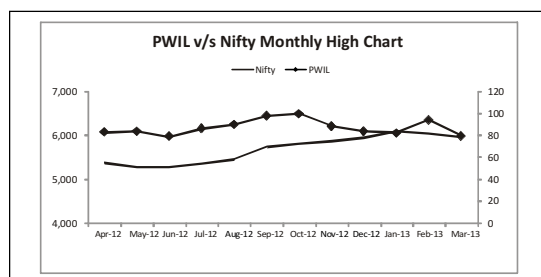
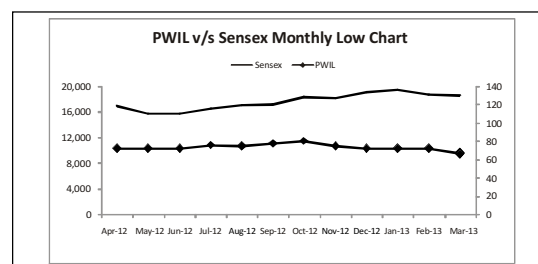
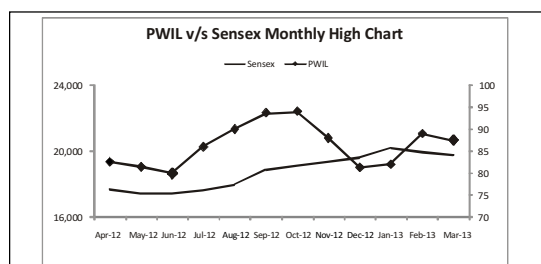
Final Dividend on Equity shares, subject to the approval of Members at the ensuing Annual General Meeting, @ 1.50 per fully paid equity share of Rs. 10/- each in time.

v. **Listing on Stock Exchanges :**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2013-14. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

vi. **Stock Code :** BSE - 523539, NSE SYMBOL - PRECWIREvii. **Market Price Data - High, Low during each month in financial year 2012-13 :**

Month & Year	PWIL @ BSE		SENSEX		PWIL @ NSE		NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-12	82.60	72.00	17664	17010	82.80	71.00	5379	5154
May-12	81.40	72.00	17432	15810	84.00	71.55	5280	4789
Jun-12	79.95	72.10	17448	15749	79.00	70.65	5286	4770
Jul-12	86.00	76.00	17631	16598	86.50	74.10	5349	5032
Aug-12	90.00	74.80	17973	17027	89.95	66.45	5449	5165
Sep-12	93.70	78.05	18870	17251	98.00	67.45	5735	5216
Oct-12	94.00	80.60	19137	18393	100.00	80.80	5815	4888
Nov-12	88.00	74.70	19373	18256	88.50	75.00	5885	5548
Dec-12	81.30	72.10	19612	19149	84.00	71.65	5965	5823
Jan-13	82.00	72.00	20204	19509	82.50	71.30	6112	5935
Feb-13	89.00	72.10	19967	18794	94.15	72.05	6053	5672
Mar-13	87.50	67.00	19755	18568	79.45	69.30	5971	5605

viii. **Registrar and Transfer Agents:**

M/s. Sharepro Services (India) Private Ltd.  
Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2<sup>nd</sup> Floor, Sakinaka, Mumbai - 400072.  
Tel No. : (022) 67720400 Fax No. (022) 67720416

ix. **Share Transfer System :**

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



x. **Distribution of holding as on 31.03.2013:**

No. of Shares		No. of Shareholders		No. of Shares	
From	To	Number	%	Number	%
Less than 501		7666	89.81	983740	8.51
501	- 1000	383	4.48	313292	2.71
1001	- 2000	209	2.45	319023	2.76
2001	- 3000	83	0.97	211614	1.83
3001	- 4000	39	0.46	139830	1.21
4001	- 5000	36	0.42	168231	1.45
5001	- 10000	45	0.53	323361	2.80
10001 & above		75	0.88	9104532	78.73
<b>Total</b>		<b>8536</b>	<b>100.00</b>	<b>11563623</b>	<b>100.00</b>

**Shareholding Pattern as on 31.03.2013:**

	<u>Number of Shares</u>	<u>%</u>
Promoters and Promoter		
Group Shareholding :	6897283	59.65
Public Shareholding :	4666340	40.35
	-----	-----
Total	11563623	100.00
	=====	=====

xi. **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, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and **Central Depository Services (India) Limited**, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai 400 023, under ISIN No. INE372C01011, common for both. 95.94% of Company's Share Capital is dematerialised as on 31.03.2013.

xii. **Outstanding GDRs / ADRs / Warrants and Convertible instruments etc. -**

The Company has not issued any GDRs or ADRs.

xiii. **Plant Locations :**

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

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

xiv. **Address for correspondence:**

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

**Mahendra R. Mehta**  
Chairman & CEO

Mumbai,  
Dated 29<sup>th</sup> May, 2013

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**MANAGEMENT DISCUSSION AND ANALYSIS**


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**a) Industry Structure & Development:**

The Company produces Winding Wires made of Copper which are used in the manufacture of both rotating and static electrical equipments. Though there are number of players in the Industry including many in SSI sector, due to quality of our products and long standing relationship with OEM customers, we continue to remain Industry-Leader. Despite adverse operational conditions prevailing in the country, we have performed well.

The overall capacity utilization of the Industry in the Country is marginally lower than the previous year. This is due to the sluggish demand from Electrical Equipment Manufacturing Sector which did not have adequate orders from Electric-Power-Sector and infrastructural projects. Both Industrial & economic structure of the Industry remains affected due to high Cost of input, inflation, substantial volatility in Forex. Your Company continues to cater to the OEM sector. Emphasis on direct physical export abroad continues.

**b) Opportunities & Threats**

As ours is a power-deficit country, massive investment in the power sector, regardless of any change in the political system, is likely to continue. Government has ambitious plans for increasing installed capacity for electric power generation, four fold, during next twenty years; also large infrastructural project such as Metros, Airports, etc. may also induce the growth in demand of electrical equipment manufacturing sector.

As India continues to remain a massive Power-Deficit-Country regardless of adverse development at home or abroad, the investment and the growth in the power sector on the long run are bound to continue. There may be some factors which may temporarily not be conducive to the fast track growth but ultimately the universal fact regarding demand and supply shall prevail.

The living standard of the people in the country is generally improving so also the Industrial Development & combined effect thereof, will anyhow, force the accelerated growth of Electric-Power-Sector and consequently that of Electricity Equipment Manufacturing and Winding Wire Sector.

However, due to economic downturn at home, and inadequate availability of proper grade coal required, and high cost of fuel for thermal power generating Stations, implementation of such undertaking by large Private Sector firms has been delayed. Foreign Direct Investment (FDI), as expected, has also slow down considerably. Rapidly increasing Trade deficit generates pressure on our Currency, which fuels inflationary cycles. Imports of electrical equipments is high, despite availability of capacity in domestic-manufacturing-sector.

Though the Government is seized of the issues, some genuine constraints for time being exist. There are some factors which may be temporarily/ non-conducive for the fast track growth but reorientation of policy is imminent. Ultimately increasing paucity of electric power in the Country shall activate the change in the policy.

Substitution of copper by aluminum, in small rotating equipment is visible. Before making sizable new

investment, your company has decided to explore the possibilities during the current year.

Operating conditions, during next two years may pose interesting challenges, competition may continue to be intense; however, we are well equipped to face, due to our low-debt-gearing and considerable experience in the industry.

**c) Segment-wise or Product-wise performance:**

The Company's core activity is production and sale of only one product i.e. Winding Wires made of Copper. Despite adverse operating condition, we have maintained production level. Sale income is marginally higher. Profit during the year under review is more than the previous year.

Our emphasis on export continues and growth thereof satisfactory. Our insulating varnish division at Palej continues to operate satisfactory and provides important contribution to the quality of our finished product.

**d) Outlook:**

Long Term outlook of the Indian Economy, and consequently, electric-power-sector is healthy.

**e) Risks and concerns:**

Please refer to foregoing paragraphs.

**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 systems. This has been confirmed by the Auditors in their report to the members.

**g) Discussion on Financial Performance with respect to Operational performance (All figures rounded off in Rupees Lacs only):**

Reserve and surplus (excluding revaluation) increased to 19063 [17993].

Debt / Equity ratio 0.45.

Total dividend, for the year, (including proposed Final Dividend at Rs. 1.50 per Equity Share of Rs. 10/- each, fully paid) 40%, subject to approval by members at ensuing AGM.

During the year under review, our production was same almost at the level of last year. Gross Revenue from operations increased due to higher rate of input.

Finance cost 507[595], Depreciation and amortization expenses 1257[1294], were lower.

More Direct Exports, higher fuel price and inflation, resulted into higher expenses for freight/ transportation and packing materials consumed 926[835], 772[721] respectively.

Other expenses are lower at 749[810].

Repair and maintenance to machineries was higher 435[335] due to preventive/regular maintenance of costly imported plants.

Foreign exchange loss lower at net 50[370]. Premium on forward exchange contract 283[160], increased due to more imports.



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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Employees Benefit Expense were higher due to revised wage agreement with Union / employees, 1356[1156]. These include contribution to provident fund and bonus etc.

Long term borrowing was 791[526].

Increase in Short term borrowing 8217[5807], Trade payables 17732[15318] and other current liabilities 4056[2463] was primarily due to higher level of inventory 9813[7611] (consequent upon threatened strike by transport operators, closure of Sterlite Tuticorin plant, which prompted us for inventory buildup), higher Trade Receivables 19260 [16834] due to economy slow-down and higher level of procurements on Credit Basis.

Your Company continues to be market leader in the field of Winding Wires made of Copper in India. The Company has discharged all financial obligations in time on due dates, without any default or delay.

**h) Material Developments in Human Resources / Industrial Relations including number of people employed:**

Industrial relations during the year were generally satisfactory and new wage agreements with the labour at Silvassa Plants have been concluded.

**i) Cautionary Statements:**

Statements in this Management Discussion and Analysis describing the company objectives, estimates and expectations may be Forward Looking statements within the meaning of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied.

**Mahendra R. Mehta**  
Chairman & CEO

Mumbai  
Dated : 29<sup>th</sup> May, 2013.

To the Members of  
PRECISION WIRES INDIA LIMITED

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Precision Wires India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility Statement**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

**FOR S.R. DIVATIA & CO.**

Chartered Accountants  
Firms Registration No. 102646W

**Shalin S. Divatia**

Partner  
Membership No. 39755

Mumbai,  
Dated : 29<sup>th</sup> May, 2013



## INDEPENDENT AUDITORS' REPORT

## ANNEXURE TO THE AUDITORS' REPORT

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory (*except Returnable Plastic Spools lying with Customers*) of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to the companies, firm or other parties listed in the register maintained under section 301 of the companies Act, 1956.
- (b) The Company has taken and repaid during the year, unsecured loans from certain Directors of the Company who are covered under register maintained under section 301 of the Act. A total of two parties were involved in the aforesaid transaction for amounts aggregating to Rs. 3,00,00,000/-
- (c) In our opinion and according to information and explanation given to us the rate of interest and other terms and conditions of the said unsecured loans taken by the Company are prima facie not prejudicial to the interest of the Company
- (d) The payment of the Principal and the Interest on the loans deposits is regular and there are no overdue amount payables in respect thereof
- (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 each of the transactions in excess of Rs 5 lakhs in respect of any party has been made at prices, which are prima facie reasonable having regard to the prevailing market prices, of such goods, materials or services at the relevant time.
- (vi) The Company has not accepted deposits from the public. Hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant Provisions of the Act and the rules framed thereunder are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than 6 months from the date of becoming payable.
- (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	Financial Year	Amount (Rs.)	Forum where dispute is pending
Central Excise Act	Excise Duty	1983-84	4,55,000/-	CESTAT, Delhi
Central Excise Act	Excise Duty	2004-05 2005-06	5,00,000/-	CESTAT, Ahemdabad

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**INDEPENDENT AUDITORS' REPORT**

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- (x) The Company does not have accumulated losses as at 31<sup>st</sup> March 2013. The Company has not incurred any cash loss during the financial year covered by the audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given to us, by the management we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank or to debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund / Society. Accordingly in our opinion the provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (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 cash flow statement of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any secured debentures during the year.
- (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 material fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR S.R. DIVATIA & CO.**

Chartered Accountants  
Firms Registration No. 102646W

**Shalin S. Divatia**  
Partner  
Membership No. 39755

Mumbai,  
Dated : 29<sup>th</sup> May, 2013



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**AUDITORS' REPORT**

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**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 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

**FOR S.R. DIVATIA & CO.**  
Chartered Accountants  
Firms Registration No. 102646W

**Shalin S. Divatia**  
Partner  
Membership No. 39755

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

221, Avon Arcade, D.J. Road, Near Rly Station, Vile Parle (W), Mumbai - 400 056  
Tel. (O) : 2616 0791 / 2663 1923 (R) : 2671 4708 Fax : 2610 4926 Email : mail@srdivatia.com

## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	Rupees	As at 31/03/2013 Rupees	Rupees	As at 31/03/2012 Rupees
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	115,644,230		115,644,230	
Reserves and Surplus	2	1,906,343,019		1,799,268,878	
			<b>2,021,987,249</b>		1,914,913,108
<b>NON-CURRENT LIABILITIES</b>					
Long-Term Borrowings	3	79,147,983		52,640,000	
Other Long-Term Liabilities	4	175,000		200,000	
Deferred Tax Liabilities (Net)	5	169,183,262		167,298,440	
			<b>248,506,245</b>		220,138,440
<b>CURRENT LIABILITIES</b>					
Short-Term Borrowings	6	821,678,462		580,734,644	
Trade Payables	7	1,773,211,873		1,531,786,888	
Other Current Liabilities	8	405,628,629		246,272,719	
Short-Term Provisions	9	35,068,517		29,750,037	
			<b>3,035,587,481</b>		2,388,544,288
<b>TOTAL</b>			<b>5,306,080,975</b>		<b>4,523,595,836</b>
<b><u>ASSETS</u></b>					
<b>NON-CURRENT ASSETS</b>					
Fixed Assets	10				
Tangible Assets		1,332,381,323		1,454,695,784	
Intangible Assets		7,652,880		19,670,064	
Capital Work-in-Progress		29,407,627		26,232,329	
			<b>1,369,441,830</b>		1,500,598,177
Non-Current Investments	11	5,013,522		5,013,522	
Other Non-Current Assets	12	7,498,408		5,746,602	
			<b>12,511,930</b>		10,760,124
<b>CURRENT ASSETS</b>					
Current Investments	13	192,000,000		—	
Inventories	14	981,343,356		761,070,830	
Trade Receivables	15	1,926,005,434		1,683,451,822	
Cash and Cash-equivalents	16	397,420,792		270,786,528	
Short Term Loans and Advances	17	367,555,522		245,143,082	
Other Current Assets	18	59,802,111		51,785,273	
			<b>3,924,127,215</b>		3,012,237,535
<b>TOTAL</b>			<b>5,306,080,975</b>		<b>4,523,595,836</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	26				

As per our report of even date.

**For S.R. Divatia & Co.**  
Chartered Accountants

**Shalin S. Divatia**  
Partner  
Membership No. 39755  
Firm Registration No. 102646W

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO

**Rajni M. Lalwani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 29<sup>th</sup> May, 2013





**PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED ON 31ST MARCH, 2013**

	Note	2012/13 Rupees	2011/12 Rupees
<b>INCOME</b>			
Revenue from Operations (Gross)	19	11,277,945,099	10,470,614,554
Less : Excise Duty		(1,519,657,950)	(1,152,750,924)
Revenue from Operations (Net)		9,758,287,149	9,317,863,630
Other Income	20	12,629,852	7,635,335
<b>TOTAL REVENUE</b>		<b>9,770,917,001</b>	<b>9,325,498,965</b>
<b>EXPENSES</b>			
Cost of Raw Material consumed	21	8,746,083,418	8,377,837,614
Purchase of Stock-in-Trade		445,379	5,486,154
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	(101,686,161)	(136,365,344)
Employee Benefits Expense	23	135,614,445	115,643,508
Finance Cost	24	50,685,060	59,532,534
Depreciation & Amortisation Expenses	10	125,741,238	129,351,629
Other Expenses	25	575,246,665	577,584,429
<b>TOTAL</b>		<b>9,532,130,044</b>	<b>9,129,070,524</b>
<b>Profit before Exceptional &amp; Extraordinary Items and Taxes</b>		<b>238,786,957</b>	<b>196,428,441</b>
Exceptional and Extraordinary Item		-	-
<b>Profit before Taxes</b>		<b>238,786,957</b>	<b>196,428,441</b>
<b>Tax Expenses :</b>			
<b>Current Tax :</b>			
Provision for Income Tax	(77,250,000)	(69,800,000)	
Provision for Wealth Tax	(50,000)	(50,000)	
Income Tax Adjustments in respect of earlier year	(55,956)	3,759,436	
		<b>(77,355,956)</b>	(66,090,564)
Provision for Deferred Tax		<b>(1,884,822)</b>	11,112,790
<b>Profit after Taxes from continuing operations</b>		<b>159,546,179</b>	<b>141,450,667</b>
Earnings per Share of Rs.10/- each (in Rs.)			
Basic & Diluted EPS before Extra Ordinary Items		<b>13.80</b>	12.23
Basic & Diluted EPS after Extra Ordinary Items (Refer Clause B-12 of Note 26)		<b>13.80</b>	12.23
<b>Significant Accounting Policies and Notes on Accounts</b>			
	26		

As per our report of even date.

**For S.R. Divatia & Co.**  
Chartered Accountants

**Shalin S. Divatia**  
Partner  
Membership No. 39755  
Firm Registration No. 102646W

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO

**Rajni M. Lalwani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

## NOTES TO BALANCE SHEET

	As at 31/03/2013 Rupees	As at 31/03/2012 Rupees		
<b>NOTE 1 : SHARE CAPITAL</b>				
<b>AUTHORISED :</b>				
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.	30,000,000	30,000,000		
	<u>150,000,000</u>	<u>150,000,000</u>		
<b>ISSUED :</b>				
11,565,223 (11,565,223) Equity shares of Rs. 10/- each.	115,652,230	115,652,230		
<b>SUBSCRIBED AND PAID-UP:</b>				
11,563,623 (11,563,623) Equity shares fully paid-up	115,636,230	115,636,230		
Add : Forfeiture of 1,600 (1,600) Equity shares (Amount originally paid-up)	8,000	8,000		
<b>TOTAL</b>	<u>115,644,230</u>	<u>115,644,230</u>		
1.1 The details of Shareholders holding more than 5% shares :				
Name of the Shareholder	<b>As at 31<sup>st</sup> March, 2013</b>		<b>As at 31<sup>st</sup> March, 2012</b>	
	<b>No. of Shares held</b>	<b>% held</b>	<b>No. of Shares held</b>	<b>% held</b>
Galvawire Agencies Pvt. Ltd.	1,734,668	15	1,734,668	15
Mr. Mahendra R. Mehta	1,551,635	13	1,551,635	13
Mrs. Sharda M. Mehta	812,453	7	812,453	7
Mr. Milan M. Mehta (including as Karta of HUF)	787,948	7	787,948	7
1.2 The reconciliation of the number of shares outstanding is set out below :				
Particulars	<b>As at 31<sup>st</sup> March, 2013</b>		<b>As at 31<sup>st</sup> March, 2012</b>	
	<b>No. of Shares held</b>		<b>No. of Shares held</b>	
Equity Shares at the beginning of the year	11,563,623		11,563,623	
Equity Shares at the end of the year	<u>11,563,623</u>		<u>11,563,623</u>	
<b>NOTE 2 : RESERVES AND SURPLUS</b>				
(a) Central and State Government Subsidies				
Balance as per last Balance Sheet		2,000,000		2,000,000
(b) Capital Redemption Reserve				
Balance as per last Balance Sheet		11,698,500		11,698,500
(c) Share Premium				
Balance as per last Balance Sheet		183,865,000		183,865,000
(d) Hedging Reserve				
Balance as per last Balance Sheet	(148,937)		-	
Add : Effect of Foreign Exchange Rate Variation on Hedging Instruments outstanding at the year end	1,271,148		(148,937)	
Less : Amount transferred to Statement of Profit & Loss Account	148,937		-	
		1,271,148		(148,937)
(e) General Reserve :				
Balance as per last Balance Sheet	1,565,500,000		1,465,500,000	
Add : Transfer from Profit and Loss Account	115,000,000		100,000,000	
		1,680,500,000		1,565,500,000
(f) Surplus in Statement of Profit and Loss Account :				
Balance as per last Balance Sheet	36,354,315		35,222,244	
Add : Net Profit after tax for the year	159,546,179		141,450,667	
Less :				
Transfer to General Reserve	(115,000,000)		(100,000,000)	
Interim Dividend				
[@ Rs 2.50 (Rs. 1.80) per Equity Share]	(28,909,058)		(20,814,521)	
Corporate Tax on Interim Dividend	(4,689,773)		(3,376,636)	
<u>Provision for</u>				
Final Dividend [@Rs. 1.50 (Rs. 1.20) per Equity Share]	(17,345,435)		(13,876,348)	
Corporate Tax on Final Dividend	(2,947,857)		(2,251,091)	
		27,008,371		36,354,315
<b>TOTAL</b>		<u>1,906,343,019</u>		<u>1,799,268,878</u>



NOTES TO BALANCE SHEET

	As at 31/03/2013 Rupees	As at 31/03/2012 Rupees	
<b>NOTE 3 : LONG-TERM BORROWINGS</b>			
Secured Loans from Banks	<u>79,147,983</u>	<u>52,640,000</u>	
<b>TOTAL</b>	<b><u>79,147,983</u></b>	<b><u>52,640,000</u></b>	
3.1 Maturity Profile of Secured Term Loans are as set out below :			
F.Y.	2013-14	2014-15	2015-16
Rs.	55,908,000	52,100,000	27,047,983
(Refer Clause B-3(a) of Note 26)			
<b>NOTE 4 : OTHER LONG-TERM LIABILITIES</b>			
Security Deposits	<u>175,000</u>	<u>200,000</u>	
<b>TOTAL</b>	<b><u>175,000</u></b>	<b><u>200,000</u></b>	
<b>NOTE 5 : DEFERRED TAX LIABILITY (NET)</b>			
Deferred Tax Liability arising on account of Depreciation	<u>177,138,759</u>	<u>174,421,225</u>	
	<b>177,138,759</b>	<b>174,421,225</b>	
LESS :			
Deferred Tax Assets arising on account of:			
Unamortized / Unpaid Expenditure	<u>(37,277)</u>	<u>(37,277)</u>	
Retirement benefits	<u>(7,918,220)</u>	<u>(7,085,508)</u>	
	<b><u>(7,955,497)</u></b>	<b><u>(7,122,785)</u></b>	
<b>TOTAL</b>	<b><u>169,183,262</u></b>	<b><u>167,298,440</u></b>	
<b>NOTE 6 : SHORT-TERM BORROWINGS</b>			
<b>Secured :</b>			
Foreign Currency Loans - Buyers Credit (from Bank)	<u>190,940,767</u>	<u>240,748,508</u>	
Working Capital Borrowings (from Bank)	<u>211,367,929</u>	<u>229,281,471</u>	
<b>Unsecured :-</b>			
Foreign Currency Loans - Buyers Credit (from Banks)	<u>419,369,766</u>	<u>110,704,665</u>	
<b>TOTAL</b>	<b><u>821,678,462</u></b>	<b><u>580,734,644</u></b>	
(Refer Clause B-3(a) and 3(b) of Note 26)			
<b>NOTE 7 : TRADE PAYABLES</b>			
Sundry Creditors			
Micro / Small and medium scale industrial undertakings	<u>939,906</u>	<u>4,584,349</u>	
Others	<u>1,772,271,967</u>	<u>1,527,202,539</u>	
<b>TOTAL</b>	<b><u>1,773,211,873</u></b>	<b><u>1,531,786,888</u></b>	
<b>NOTE 8 : OTHER CURRENT LIABILITIES</b>			
Current maturities of Long Term Debts	<u>55,908,000</u>	<u>8,699,568</u>	
Unclaimed Dividend *	<u>3,679,879</u>	<u>3,298,360</u>	
Creditors for Capital Expenditure	<u>3,561,554</u>	<u>5,288,812</u>	
Other Liabilities #	<u>342,479,196</u>	<u>228,985,979</u>	
<b>TOTAL</b>	<b><u>405,628,629</u></b>	<b><u>246,272,719</u></b>	
* There is no amount, due and outstanding, to be credited to the Investor Education and Protection Fund.			
# Includes Foreign Currency Payable under Forward Contracts.			
<b>NOTE 9 : SHORT-TERM PROVISIONS</b>			
Provision for Leave Encashment	<u>3,302,146</u>	<u>4,330,288</u>	
Provision for Gratuity payable	<u>11,423,079</u>	<u>9,242,310</u>	
Provision for Wealth Tax	<u>50,000</u>	<u>50,000</u>	
Proposed Dividend	<u>17,345,435</u>	<u>13,876,348</u>	
Provision for Corporate Tax on Dividend	<u>2,947,857</u>	<u>2,251,091</u>	
<b>TOTAL</b>	<b><u>35,068,517</u></b>	<b><u>29,750,037</u></b>	

## NOTES TO BALANCE SHEET

## NOTE 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 01.04.2012	Additions	Sale / Adjustment	As at 31.03.2013	Upto 31.03.2012	For the Year	On Sale / Adjustment	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012				
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
<b>1) Tangible Assets :</b>														
Land - Free Hold	60,748,467	-	(36,752,050)	23,996,417	-	-	-	-	23,996,417	60,748,467				
Buildings *	323,538,475	4,499,989	-	328,038,464	70,301,665	10,481,659	-	80,783,324	247,255,140	253,236,810				
Plant and Machinery	1,847,497,599	26,980,308	(8,515,546)	1,865,962,361	727,310,003	96,117,045	(837,654)	822,589,394	1,043,372,967	1,120,187,596				
Vehicles	10,818,491	479,750	-	11,298,241	4,208,122	1,062,255	-	5,270,377	6,027,864	6,610,369				
Office Equipments	34,572,519	3,605,256	-	38,177,775	23,982,133	4,489,182	-	28,471,315	9,706,460	10,590,386				
Furniture and Fixtures	21,642,942	274,232	-	21,917,174	18,320,786	1,573,913	-	19,894,699	2,022,475	3,322,156				
	2,298,818,493	35,839,535	(45,267,596)	2,289,390,432	844,122,709	113,724,054	(837,654)	957,009,109	1,332,381,323	1,454,695,784				
<b>2) Intangible Assets :</b>														
Technology Transfer Cost	115,450,651	-	-	115,450,651	95,780,587	12,017,184	-	107,797,771	7,652,880	19,670,064				
	115,450,651	-	-	115,450,651	95,780,587	12,017,184	-	107,797,771	7,652,880	19,670,064				
<b>TOTAL</b>	<b>2,414,269,144</b>	<b>35,839,535</b>	<b>(45,267,596)</b>	<b>2,404,841,083</b>	<b>939,903,296</b>	<b>125,741,238</b>	<b>(837,654)</b>	<b>1,064,806,880</b>	<b>1,340,034,203</b>	<b>1,474,365,848</b>				
Previous Year	2,292,343,158	133,098,130	(11,172,144)	2,414,269,144	813,989,723	129,351,629	(3,438,056)	939,903,296	1,474,365,848	1,478,353,435				
3) Capital Work in Progress (Including Advances on Capital Account)									29,407,627	26,232,329				
									1,369,441,830	1,500,598,177				

\* Building includes Rs. 1,16,49,377/- (Rs. 1,16,49,377/-) being the cost of Residential Flats for employees at Palej / Silvassa.

\* Excluding cost of Shares held in Co-operative Housing Society disclosed under Investments.



## NOTES TO BALANCE SHEET

	As at 31/03/2013 Rupees	As at 31/03/2012 Rupees
<b>NOTE 11 : NON-CURRENT INVESTMENTS</b>		
(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)	6,000	6,000
Other Investments :		
500 (500) Non-Convertible Redeemable Taxable Bonds in the Nature of Debentures of Rs.10,000/- each of "Rural Electrification Corporation Ltd" (Repurchase Value Rs. NIL (NIL)) (u/s 54 EC of Income Tax Act, 1961)	5,000,000	5,000,000
100 (100) Equity Shares of Rs. 10/- each of Mogaveera Co-Op Bank Ltd, fully paid	1,000	1,000
100 (100) Equity Shares of Rs. 10/- each of Jankalyan Co-Op Bank Ltd, fully paid	1,000	1,000
110 (110) Equity Shares of Rs. 50/- each of Basera Co-Op Hsg. Soc. Ltd, fully paid (Relating to Residential Flats owned by the Company and shown under the Note 10 - Fixed Assets)	5,522	5,522
<b>TOTAL</b>	<b>5,013,522</b>	<b>5,013,522</b>
<b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>		
Deposits	7,498,408	5,746,602
<b>TOTAL</b>	<b>7,498,408</b>	<b>5,746,602</b>
<b>NOTE 13 : CURRENT INVESTMENTS</b>		
QUOTED		
Axis Liquid Fund - Growth CFGP - No of Units 148200.416 (Face Value Rs. 1,000/- per Unit; NAV as on 31.03.2013 Rs. 19,26,50,759/-)	192,000,000	-
<b>TOTAL</b>	<b>192,000,000</b>	<b>-</b>

## NOTES TO BALANCE SHEET

	As at 31/03/2013 Rupees	As at 31/03/2012 Rupees
<b>NOTE 14 : INVENTORIES</b>		
INVENTORIES (At lower of cost or net realisable value)		
Raw Materials in Transit	229,578,097	50,753,375
Raw Materials	81,399,413	143,564,232
Work in Progress	252,523,385	221,930,577
Finished Goods	348,637,666	279,392,417
Copper Scrap	606,499	1,684,710
Stores, Spares and Consumables	48,005,323	43,655,912
Reels and Packing Material	20,592,973	20,089,607
<b>TOTAL</b>	<b>981,343,356</b>	<b>761,070,830</b>
<b>NOTE 15 : TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Outstanding overdue for a period exceeding six months	11,992,553	5,211,056
Others	1,914,012,881	1,678,240,766
<b>TOTAL</b>	<b>1,926,005,434</b>	<b>1,683,451,822</b>
<b>NOTE 16 : CASH AND CASH - EQUIVALENTS</b>		
Balances with Banks		
– In Current Accounts	391,055,774	264,850,635
– In Term Deposits	92,000	97,000
Cheques in hand	1,245,597	1,432,121
Cash on hand	511,949	793,409
Balance in Margin Money Accounts	835,589	315,000
Balance in Dividend Accounts	3,679,883	3,298,363
<b>TOTAL</b>	<b>397,420,792</b>	<b>270,786,528</b>
<b>NOTE 17 : SHORT-TERM LOANS AND ADVANCES</b>		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received *	297,128,302	189,630,038
Advance Payment of Taxes (net)	28,295,253	20,605,231
Balance with Customs and Central Excise Authorities	42,131,967	34,907,813
<b>TOTAL</b>	<b>367,555,522</b>	<b>245,143,082</b>
* Includes Foreign Currency Receivable under Forward Contracts		
<b>NOTE 18 : OTHER CURRENT ASSETS</b>		
Interest accrued but not due	300,948	303,054
Export benefits accrued	59,501,163	51,482,219
<b>TOTAL</b>	<b>59,802,111</b>	<b>51,785,273</b>



NOTES TO PROFIT AND LOSS STATEMENT

	2012/13 Rupees	2011/12 Rupees
<b>NOTE 19 : REVENUE FROM OPERATIONS (GROSS)</b>		
Sale and Processing Income of Products		
Finished Goods (Own + Jobwork)	10,669,782,313	9,849,557,921
Traded Goods	1,179,120	11,651,386
Other Operating Revenue		
Scrap Sales	604,191,259	609,388,002
Other Sales	2,792,407	17,245
<b>Revenue from Operations (gross)</b>	<b>11,277,945,099</b>	<b>10,470,614,554</b>
<b>NOTE 20 : OTHER INCOME</b>		
Interest	6,590,866	4,075,841
Miscellaneous Receipts	3,538,083	3,559,494
Excess Provision of Previous Years (Net)	275,946	-
Profit on sale of investment (Net)	2,224,957	-
<b>TOTAL</b>	<b>12,629,852</b>	<b>7,635,335</b>
<b>NOTE 21 : COST OF RAW MATERIAL CONSUMED</b>		
Stock at commencement		
Copper Wire Rods	132,040,990	5,625,411
Enamels & Chemicals	52,272,573	48,026,613
Others	10,004,044	8,624,993
	<u>194,317,607</u>	<u>62,277,017</u>
Add : Purchases		
Copper Wire Rods @ **	8,547,286,629	8,190,254,649
Enamels & Chemicals	289,278,777	293,125,533
Others	26,177,915	26,498,022
	<u>8,862,743,321</u>	<u>8,509,878,204</u>
Less : Stock at close		
Copper Wire Rods @	(237,885,614)	(132,040,990)
Enamels & Chemicals	(59,861,575)	(52,272,573)
Others	(13,230,321)	(10,004,044)
	<u>(310,977,510)</u>	<u>(194,317,607)</u>
<b>Total Cost of Raw Material Consumed</b>	<b>8,746,083,418</b>	<b>8,377,837,614</b>
<p>@ Includes Material in Transit Rs. 22,95,78,097/- (Rs. 5,07,53,375/-).</p> <p>** Refer Clause B-10 of Note 26</p>		
<b>NOTE 22 : CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Stock at close		
Finished Goods	(343,998,340)	(264,718,579)
Copper Scrap	(606,499)	(1,684,710)
Work-in-progress	(252,523,385)	(221,930,577)
Wire Enamels	(4,639,326)	(14,673,838)
	<u>(601,767,550)</u>	<u>(503,007,704)</u>
LESS :		
Stock at commencement		
Finished Goods	264,718,579	136,011,243
Copper Scrap	1,684,710	4,864,505
Work-in-progress	221,930,577	211,027,885
Wire Enamels	14,673,838	9,431,971
	<u>503,007,704</u>	<u>361,335,604</u>
<b>(ACCRETION) / DECRETION IN INVENTORY</b>	<b>(98,759,846)</b>	<b>(141,672,100)</b>
(Accretion) / Decretion in Excise Duty on Inventory of Finished Goods & Copper Scrap	(2,926,315)	5,306,756
<b>TOTAL</b>	<b>(101,686,161)</b>	<b>(136,365,344)</b>

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**NOTES TO PROFIT AND LOSS STATEMENT**


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	2012/13 Rupees	2011/12 Rupees
<b>NOTE 23 : EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages & Bonus etc.	122,107,591	106,362,513
Contributions to Provident and Other Funds	10,358,859	6,700,459
Staff and Labour Welfare	3,147,995	2,580,536
<b>TOTAL</b>	<b>135,614,445</b>	<b>115,643,508</b>
<b>NOTE 24 : FINANCE COSTS</b>		
Interest on Term Loans	19,326,237	14,190,660
Other Interest (Bank & Others)	13,175,594	11,888,446
Discounting Charges	18,183,229	29,773,445
Applicable loss on foreign currency transactions and translation	-	3,679,983
<b>TOTAL</b>	<b>50,685,060</b>	<b>59,532,534</b>
<b>NOTE 25 : OTHER EXPENSES</b>		
Packing Material Consumed	77,157,040	72,122,062
Stores and Spares	31,834,991	32,983,345
Power and Fuel	173,879,280	174,812,783
Repairs and Maintenance		
Building	1,589,305	3,661,744
Machineries	43,499,615	33,478,936
Other Assets	3,653,914	4,595,214
Directors' Sitting Fees	340,000	239,000
Rent	13,409,081	11,991,929
Rates and Taxes	1,915,027	1,820,218
Travelling Expenses	5,956,745	5,046,517
Insurance	7,696,179	6,954,960
Freight and Transportation	92,559,930	83,468,012
Commission on Sales	9,504,773	9,577,665
Bad Debts Written Off	1,345,184	130,199
Other Expenses	74,911,438	80,981,389
Sundry Balance Written Off	4,782	113,186
Prior Period Expenses	-	(43,778)
Loss on Sale of Assets (net)	1,788,050	22,353
Insurance Claims Written Off	921,837	2,651,604
Foreign Exchange Loss (net)	4,986,144	36,970,628
Premium on forward exchange contracts	28,293,350	16,006,463
<b>TOTAL</b>	<b>575,246,665</b>	<b>577,584,429</b>





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**NOTE 26 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

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**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. Use of Estimates :**

The preparation of financial statements in conformity with GAAP requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. Difference if any between the actual results and estimates is recognised in the period in which the results are known.

**3. Fixed Assets and Depreciation :**

i. Fixed Assets are stated at cost, net of 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 not less than those specified from time to time in Schedule XIV to the Companies Act, 1956, which management considers as being representative of the useful economic life of such assets:

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

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

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

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

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

**4. Impairment of Assets :**

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

**5. 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.

**6. Inventories :**

i. Inventories are valued on FIFO basis at lower of cost or estimated net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

ii. Cost of Work in progress includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

**7. Excise duty / Service Tax :**

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

**8. 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. 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. Sales are recognised at the point of despatch of goods to the customers. Sales are net of discounts, Sales Tax / VAT and Sales Returns.

iv. Interest income is recognised on time proportion basis.

v. Dividend on Investments is accounted when received.

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

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**NOTE 26 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**


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**9. 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. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- 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.
- iii. Premium or discount on forward contracts are amortised over the life of the contract. Foreign Exchange Forward Contracts are re-expressed at the Balance Sheet date and Exchange difference between the spot rate at the date of contract and spot rate on the Balance Sheet date is recognised as gain/loss in the Profit & Loss Account, in terms of pronouncement of the Institute of Chartered Accountants of India.

**10. Derivative Instruments :**

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitment contracts and highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

In accordance with Accounting Standard 11 ["Effects of changes in Foreign Exchange Rates"] and Accounting Standard 30 ["Financial Instruments – Recognition and Measurement"] as also Accounting Standard 16 ["Borrowing Costs"] issued by the Institute of Chartered Accountants of India, on the Buyers Credits in Foreign Currency availed from time to time up to the time of their settlement or up to the time of creating hedge thereagainst, the Foreign Exchange Gain / Loss applicable on the amount of difference in borrowing cost in Indian Currency and borrowing cost of Buyers' Credits in Foreign Currency is accounted as "Applicable loss on foreign currency transactions and translations" under Finance Cost in the Profit and Loss Account.

**11. Employees Benefits :**

- i. "Gratuity Benefits are accounted for on the basis of amount determined by actuarial valuation made by Life Insurance Corporation of India (LIC) using the Projected Unit Credit Method and are funded accordingly by the approved Trust. Contribution made to LIC is charged to Profit and Loss Account. Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the Profit and Loss in the period in which they arise". "In respect of certain employees who are not covered under approved Gratuity Fund, the liability is determined on the basis of Actuarial Valuation and is charged to Profit and Loss Account".
- ii. The Company's provident fund and pension scheme are in form of defined contribution plans where contribution is made to funds / Government managed schemes. These are accounted on accrual basis and charged to the Profit and Loss Account of the year in which the employee renders the related service.
- iii. The monetary value of leave encashment benefit is provided on the basis of actuarial valuation.

**12. 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.

**13. Provisions, Contingent liabilities and Contingent Assets:**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the company has a present obligation as a result of a past event
- (b) a probable outflow of resources is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- (b) a present obligation when no reliable estimate is possible
- (c) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.



**NOTE 26 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS**

	<u>Rs. Lakhs</u> <u>2012-13</u>	<u>Rs. Lakhs</u> <u>2011-12</u>
<b>1. A. Contingent Liabilities :</b>		
a. Guarantees given by Bank to third parties	<b>615.94</b>	1040.94
b. Disputed Wealth Tax Demands (not acknowledged) against which Company has preferred an appeal	<b>3.40</b>	3.40
c. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal	<b>4.55</b>	4.55
d. Disputed demands of Central Excise pending in Appeal	<b>5.00</b>	-
e. Disputed demands of Service Tax distributed by Input Service provider against which Appeal has been filed	-	1.12
f. Disputed demand of Delhi VAT Department	-	32.00
<b>1. B. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for</b>	<b>40.76</b>	81.09
<b>2. Information pursuant to part II of Schedule VI.</b>	<b>2012-13</b>	2011-12
<b>2. (A) Value of Imports calculated on CIF Basis.</b> (Including Material in Transit)	<u>Rs.</u>	<u>Rs.</u>
1. Raw Materials	<b>1,754,255,603</b>	1,423,676,709
2. Consumable Stores & Spares, Packing Material & Repairs to Plant	<b>8,437,089</b>	7,125,574
3. Capital Goods	<b>4,931,568</b>	35,125,166
<b>2. (B) Value of Raw Materials and Stores &amp; Spares consumed:</b>	<u>Percentage</u>	<u>Rs.</u>
a. Raw Materials		
Imported	<b>27</b> (14)	<b>2,337,520,688</b> (1,212,421,493)
Indigenous	<b>73</b> (86)	<b>6,408,562,730</b> (7,165,416,121)
Total	<b>100</b> (100)	<b>8,746,083,418</b> (8,377,837,614)
b. Stores & Spares :		
Imported	<b>11</b> (27)	<b>3,606,623</b> (9,052,986)
Indigenous	<b>89</b> (73)	<b>28,228,368</b> (23,930,359)
Total	<b>100</b> (100)	<b>31,834,991</b> (32,983,345)
	<b>2012-13</b>	2011-12
	<u>Rs.</u>	<u>Rs.</u>
<b>2. (C) Expenditure in foreign Currency : (Other than Imports, on Accrual basis)</b>		
Membership Fees	<b>401,241</b>	195,490
Professional Fees	-	191,672
Travelling	<b>703,470</b>	604,447
Interest on Buyers Credit	<b>8,679,108</b>	12,039,250
Commission on Sales	<b>361,597</b>	1,416,303
Exhibition Expenses	<b>2,294,525</b>	390,358
Repairs to Imported Equipment	-	1,301,511

**NOTE 26 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)****2. (D) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND :**

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes investment where the amount is also credited to Non-Resident External Account (NRE A/c.). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below :-

	2012-13	2011-12
<b>INTERIM DIVIDEND</b>		
(a) Number of Non-Resident Shareholders	42	53
(b) Number of Equity Shares held by them	41,038	86,408
(c) (i) Amount of Dividend Paid (Gross) (in Rupees)	102,595	155,534
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2012-13	2011-12
<b>FINAL DIVIDEND</b>		
(a) Number of Non-Resident Shareholders	45	50
(b) Number of Equity Shares held by them	31,442	84,889
(c) (i) Amount of Dividend Paid (Gross) (in Rupees)	37,730	305,600
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2011-12	2010-11

**2. (E) Earnings in Foreign Exchange :**

	Rs.	Rs.
Export of Goods on FOB Basis	1,080,015,721	676,022,778
Freight, Insurance	25,996,570	11,110,074
<b>TOTAL</b>	<b>1,106,012,291</b>	<b>687,132,852</b>

**2. (F) Employee benefits :**

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below :

**A. Defined Contribution Plan :**

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

	2012-13	2011-12
	Rs.	Rs.
Employers Contribution to Provident Fund	5,755,090	4,414,333
Employers Contribution to Employees Pension Scheme 1995	2,300,063	2,461,650
<b>TOTAL</b>	<b>8,055,153</b>	<b>6,875,983</b>

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

**B. Defined Benefit Plan :**

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

I. Reconciliation of Opening and closing Balances of Defined Benefit Obligation	Gratuity (Funded) 2012-13	Gratuity (Un-Funded) 2012-13	Gratuity (Funded) 2011-12	Gratuity (Un-Funded) 2011-12
	Rs.	Rs.	Rs.	Rs.
Present Value of Defined Benefit Obligation as at beginning of the year	15,884,765	9,242,310	15,138,743	8,134,616
Interest Cost	1,270,781	-	1,211,099	-
Current Service Cost	1,416,033	2,180,769	1,234,998	1,107,694
Benefits Paid	(107,424)	-	(438,770)	-
Actuarial (Gain)/Loss	1,286,204	-	(1,261,305)	-
Present Value of Defined Benefit Obligation as at end of the year	19,750,359	11,423,079	15,884,765	9,242,310
<b>II. Reconciliation of Opening and closing Balances of Fair Value of Plan Assets</b>				
Fair Value of Plan assets at beginning of the year	19,857,783	-	16,220,721	-
Expected Return on Plan assets	1,836,845	-	1,500,417	-
Employers Contribution	2,370,250	-	2,584,789	-
Benefits Paid	(107,424)	-	(438,770)	-
Actuarial (Gain)/Loss	(1,053)	-	(9,374)	-
Fair Value of Plan assets at end of the year	23,956,401	-	19,857,783	-
Actual return on plan assets	1,835,792	-	1,491,043	-



**NOTE 26 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)**

	Gratuity (Funded) 2012-13 Rs.	Gratuity (Un-Funded) 2012-13 Rs.	Gratuity (Funded) 2011-12 Rs.	Gratuity (Un-Funded) 2011-12 Rs.
<b>III. Reconciliation of fair value of assets and obligations</b>				
Fair Value of Plan assets at end of the year	23,956,401	-	19,857,783	-
Present Value of Defined Benefit Obligation as at end of the year	19,750,359	-	15,884,765	-
Net Liability/(Asset) Recognised in the Balance Sheet	(4,206,042)	-	(3,973,018)	-
<b>IV. Expenses Recognised During the year</b>				
Current Service Cost	1,416,033	-	1,234,998	-
Interest Cost	1,270,781	-	1,211,099	-
Expected Return on Plan assets	(1,836,845)	-	(1,500,417)	-
Net Actuarial (Gain) / Loss	1,285,151	-	(1,270,679)	-
Expenses Recognised During the year in Profit & Loss Account	2,135,120	-	(324,999)	-
<b>V. Actuarial Assumptions</b>				
Mortality Table (LIC)	<b>1994-96 (Ultimate)</b>		1994-96 (Ultimate)	
Discount Rate (Per Annum)	8%		8%	
Expected rate of Return on Plan assets	9.25%		9.25%	
Rate of Escalation in Salary (Per Annum)	4%		4%	

Basis used to determine expected rate of return on assets: The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity scheme is invested in a Group Gratuity Cum Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India.

	2012-13 Rs.	2011-12 Rs.
<b>2. (G) Remuneration to Auditors (exluding Service Tax) :</b>		
Remuneration to Auditors		
(a) Audit Fees	800,000	700,000
(b) Tax Audit Fees	100,000	100,000
(c) Certification Fees	204,399	60,975
(d) Others	-	350,000
<b>TOTAL</b>	<b>1,104,399</b>	<b>1,210,975</b>

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.

	2012-13 Rs.	2011-12 Rs.
<b>2. (H) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :</b>		
Manufacturing	(418,753)	196,336
Administration & Selling Expenses	142,807	(240,114)
<b>TOTAL</b>	<b>(275,946)</b>	<b>(43,778)</b>

**NOTE 26 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)**

3. a) Bank borrowings from Bank of Baroda (Term Loan and Working Capital facilities) are secured by a first charge on Hypothecation of Machinery, Stock-in-Trade, Book debts and Equitable Mortgage of Land, Factory & Residential Buildings of the Company and in addition, are guaranteed by Executive Directors.
- b) Unsecured Working capital facilities from ING Vysya Bank, BNP Paribas, HSBC Bank and Yes Bank are guaranteed by Executive Directors.

**4. Forward Contracts :**

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

- A. Details of Derivative Instruments (Forward Contracts) outstanding (for hedged transactions mentioned below) as on 31.03.2013 :

Particulars	2012-13		2011-12	
	Amount In Foreign Currency	Equivalent Amount in Rs.	Amount In Foreign Currency	Equivalent Amount in Rs.
Creditors(Capital Goods)	€ -	-	€ 1,477,000	100,242,196
Creditors(Raw Material)	€ 103,320	7,191,813	€ 171,320	11,656,996
	\$ 7,185,889	390,193,722	\$ 978,309	49,896,793
Debtors	€ 1,162,000	80,886,820	€ -	-
	\$ 2,165,492	117,586,246	\$ -	-

- B. Details of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31.03.2013 - Figures mentioned in Table below for Sundry Creditors are in respect of Import of Plant & Machinery / Raw Material :

Particulars	2012-13		2011-12	
	Amount In Foreign Currency	Equivalent Amount in Rs.	Amount In Foreign Currency	Equivalent Amount in Rs.
Creditors(Capital Goods)	€ -	-	€ 2,068,000	140,506,313
Creditors(Raw Material)	\$ 2,184,342	118,609,728	\$ -	-
Loans & Advances	€ 2,667	185,624	€ 16,365	1,111,003
	\$ 18,945	1,028,714	\$ 37,000	1,882,560
Debtors	€ 543,748	37,850,281	€ 1,260,694	85,768,636
	\$ 2,547,936	138,352,914	\$ 1,583,732	81,292,961

5. In accordance with ASI 14 (Revised) on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on sales amounting to Rs. 151,96,57,950/- (Rs.115,27,50,924/-) has been reduced from sales in Profit and Loss account and [Accretion]/Decretion of Excise Duty on Inventory of Finished Goods amounting to Rs. [29,26,315/-] (Rs. 53,06,756/-) has been accounted in the profit and loss account under Note 22 - "Changes in Inventory of Finished Goods, Work-in-Progress and Stock-In-Trade".
6. As the Company operates in the single business segment of Winding Wires made of Copper, there are no reportable segments of business as defined under the Accounting Standard AS 17-Segment Reporting issued by The Institute of Chartered Accountants of India.
7. Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India are given below :

**a) Key Management personnel and their relatives :**

Chairman & Managing Director Shri Mahendra R. Mehta	Managing Director Shri Milan M. Mehta	Whole Time Director Shri Deepak M. Mehta
Relative Mrs. S. M. Mehta, Wife	Relatives Mrs. G. M. Mehta, Wife Master A. M. Mehta, Son Miss M. M. Mehta, Daughter Milan Mahendra Mehta (HUF)	Relatives Mrs. S. D. Mehta - Wife Mr. N. D. Mehta, Son Mrs. A. N. Mehta, Daughter-in-law Deepak Mahendra Mehta (HUF)

Shri Mahendra R. Mehta and Mrs. S. M. Mehta are parents of Shri Milan M. Mehta and Shri Deepak M. Mehta  
Shri Milan M. Mehta and Shri Deepak M. Mehta are brothers.



**NOTE 26 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)**

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

Nature of Transaction	2012-13 Rs.	2011-12 Rs.	Related party
Rent Paid	6,282,720	6,282,720	Key Management Personnel and Relatives
Remuneration	27,319,793	22,617,151	Key Management Personnel and a Relative
Loan Taken & Repaid during Year	30,000,000	-	Key Management Personnel
Interest on Loan Taken & Repaid during Year	157,808	-	Key Management Personnel

- c) The Company does not have any subsidiary Company.

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

Sales / Purchase & Processing Income etc.	2012-13 Rs.	2011-12 Rs.
- Copper Wire Rods	-	3,023,329
- Enamels, Chemicals etc.	138,252,294	103,305,965
- Stores, Spares & Packing Material	3,535,750	3,249,027
- Copper Wire Rods Conversion Chgs.	4,280,077	3,782,907

- b) The profit arising on transfer of material by one Unit to another and in Stock as at 31<sup>st</sup> March, 2013 has been excluded from the valuation of relevant closing stock in the accounts of the Company.

9. The Company has amounts due to Micro and Small Enterprises under The Micro Small and Medium Enterprises development Act 2006 (MSMED ACT) at the Year End. Rs. NIL (Rs. 8,103/-).

10. Interest paid to Suppliers/Bank Discounting Charges in relation to purchase of Copper of Rs. 1564.81 Lacs (Rs.1381.56 Lacs) is grouped with the cost of Raw Material (Copper).

11. Future obligations in case of lease agreements:

	As on 31.03.2013 Rs.	As on 31.03.2012 Rs.
Within one year	9,685,000	9,364,046
Later than one year and not later than five years	2,857,000	2,983,528
Total	12,542,000	12,347,574

12. 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.

	As on 31.03.2013 Rs.	As on 31.03.2012 Rs.
a. Profit after tax	159,546,179	141,450,667
b. Weighted Average Number of Shares	11,563,623	11,563,623
c. Basic & Diluted EPS before Extra Ordinary Items	13.80	12.23
d. Basic & Diluted EPS after Extra Ordinary Items	13.80	12.23
e. Face value per share	10.00	10.00

13. Figures in brackets pertain to the previous year.

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

As per our report of even date.

**For S.R. Divatia & Co.**  
Chartered Accountants

**Shalin S. Divatia**  
Partner  
Membership No. 39755  
Firm Registration No. 102646W

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO

**Rajni M. Lalwani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**31ST MARCH, 2013**

	Rupees in Lacs	
	31/03/2013	31/03/2012
<b>A. Cash Flow From Operating Activities</b>		
<b>Net profit before tax and extraordinary items</b>	2,387.87	1,964.28
<b>Add / (Deduct) : Adjustments for</b>		
Financial Charges	506.85	595.32
Depreciation (net)	1257.41	1,293.52
Insurance Spares Issued	76.78	79.76
(Profit) / Loss on sale of assets	17.88	0.22
Hedging Reserve Income	14.20	2.52
Insurance Claim W/off	9.22	26.52
Bad Debts Written Off	13.45	1.30
Income from investments	(22.25)	(3.00)
	1873.54	1996.16
<b>Operating Profit before working capital changes</b>	<b>4,261.41</b>	<b>3960.44</b>
<b>Add / (Deduct) Adjustments for :</b>		
Trade and Other Receivables	(2,438.99)	2,353.29
Inventories	(2,202.72)	(2,734.05)
Trade and Other Payables	4,019.11	(3,010.72)
Other Current Assets	(89.39)	(262.31)
	(711.99)	(3,653.79)
<b>Cash generated from operations</b>	<b>3,549.42</b>	<b>344.24</b>
Direct Taxes paid (net of refunds)	(818.88)	(205.55)
<b>Cash flow before extra-ordinary items</b>	<b>2,730.54</b>	<b>138.68</b>
Extraordinary items	-	-
<b>Net cash from operating activities</b>	<b>2,730.54</b>	<b>138.68</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)</b>		
Purchase of fixed assets (including Capital Work In Progress)	(390.15)	(995.99)
Proceeds from Sale of Fixed assets	349.64	13.40
Purchase of Investment	(1,920.00)	-
Loans and Advances	(1,196.33)	2,698.57
Income from Investments	22.25	3.00
	(3,134.59)	1,718.98
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	2,409.43	(1,104.80)
Proceeds from Long Term Borrowings	265.08	477.00
Financial Charges Paid	(506.85)	(595.32)
Dividends paid	(497.26)	(725.74)
	1,670.40	(1,948.86)
<b>Net cash generated/(used) in financing activities</b>	<b>1,670.40</b>	<b>(1,948.86)</b>
<b>Net increase/(decrease) in cash equivalents</b>	<b>1,266.35</b>	<b>(91.19)</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> April</b>	<b>2,707.86</b>	<b>2,799.05</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>3,974.21</b>	<b>2,707.86</b>

Note : Interest Income represents mainly amounts received from customers for delayed payments and income on Fixed Deposits 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  
Membership No. 39755  
Firm Registration No. 102646W

Mumbai,  
Dated : 29<sup>th</sup> May, 2013

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO

**Rajni M. Lalwani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 29<sup>th</sup> May, 2013



# PRECISION WIRES INDIA LTD.,

Registered Office: Saiman House, J A Raul Street, Off Sayani Road, Prabhadevi, Mumbai 400025.

**Registration No. 11-54356**

## Errata

### Annual Report 2012-2013

Please refer to the Annual Accounts 2012-13 which had the following errors on Page No. 6, 10 & 33. The correct figures in respect of the same were brought to the notice of the members present at the AGM and after their consent and approval, the Item No. 1 of the Agenda was discussed and the Accounts for the Financial Year 2012-13 were adopted at the Annual General Meeting held on 07<sup>th</sup> August, 2013.

Page No. Of the Annual Report	Particulars	Errata (Printed Amount)	The correct figures and the same to Read as
06	(iv)[5] -- Foreign Exchange Outgo [net] (Rs.in Lacs)	17800.64	22772.24
10	Outgoings under the heading "Foreign Exchange Earnings and Outgo" in Point 3 of Annexure II to Directors' Report (Rs.in Lacs)	17801	22772
33	Raw Materials (Point 1 under the Heading 2(A) – Value of Imports calculated on CIF Basis. (Rs.)	1,75,42,55,603	2,25,14,35,603

The above correction does not impact the Profit and Loss account or the Balance Sheet.

For and on behalf of the Board



(M R Mehta)  
Chairman  
Mumbai – 7<sup>th</sup> August 2013

For S R Divatia & Co.,  
Chartered Accountants



(Shalin S Divatia)  
Partner  
Mumbai – 7<sup>th</sup> August 2013



(C. Mohandas Pai)  
CFO  
Mumbai – 7<sup>th</sup> August 2013



## PRECISION WIRES INDIA LIMITED

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

### 24<sup>TH</sup> ANNUAL GENERAL MEETING 2012-2013

#### 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 **24<sup>th</sup> Annual General Meeting**  
of the Company to be held on **Wednesday, 7<sup>th</sup> day of August, 2013** at 02.30 p.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

\*DP ID : \_\_\_\_\_ \*Client ID : \_\_\_\_\_

Reg. Folio No. : \_\_\_\_\_

Signature \_\_\_\_\_

*Please  
affix  
Revenue  
Stamp*

No. of Shares held : \_\_\_\_\_

**NOTES :** 1. A MEMBER ENTITLED TO VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE MEMBER.

2. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN **48 HOURS** BEFORE THE TIME FOR HOLDING THE MEETING.

\* APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM

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

## PRECISION WIRES INDIA LIMITED

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

#### ATTENDANCE SLIP

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

Reg. Folio No. : \_\_\_\_\_ \*DP ID : \_\_\_\_\_ \*Client ID : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, 7<sup>th</sup> August, 2013** at the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393 Bhaudaji Road, Maheshwari Udyan (Kings' Circle), Matunga (Central Railway), Mumbai - 400 019.

Full Name of Shareholders/ Proxy (in Block Letters) \_\_\_\_\_

Signature of the Shareholder / Proxy \_\_\_\_\_

\* APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM.

**BOOK-POST**



*If undelivered, please return to :*

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