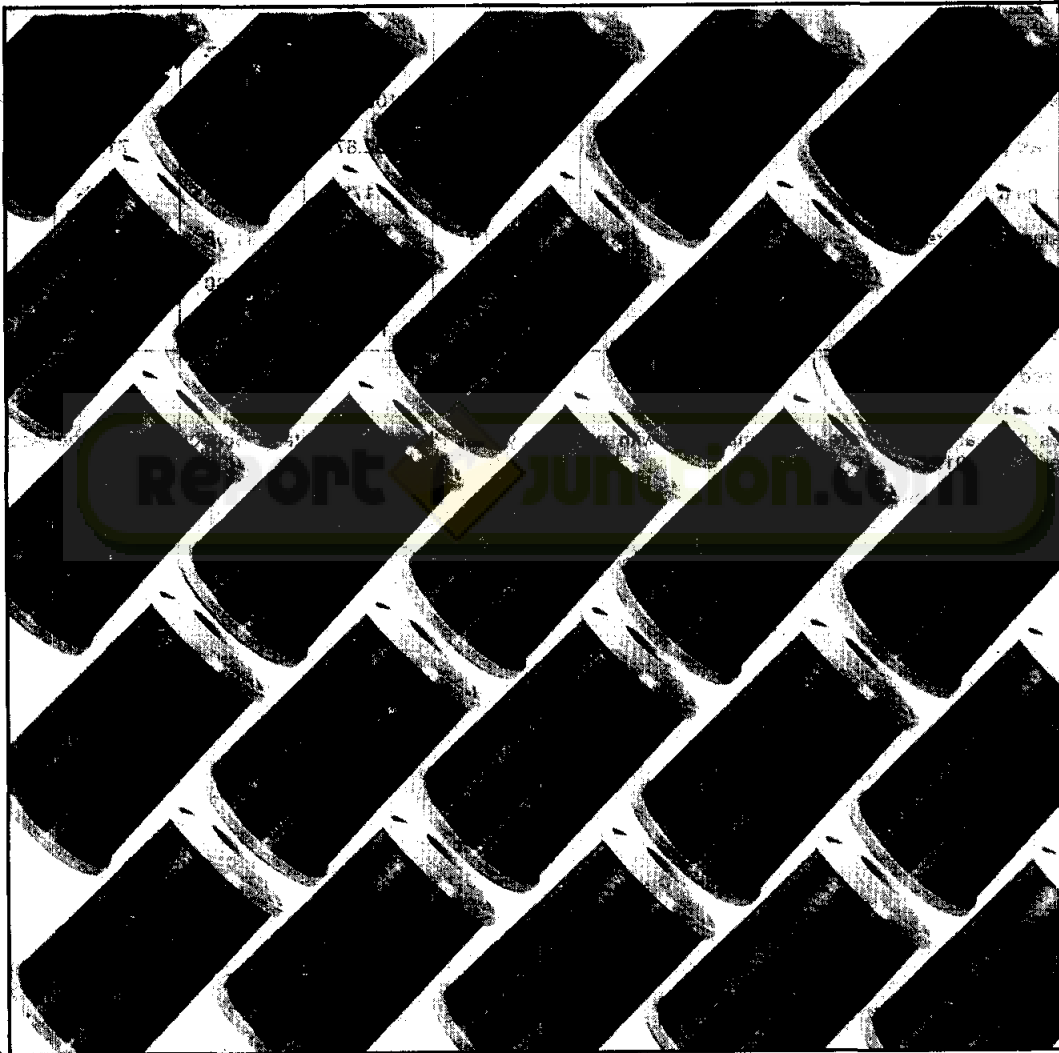


# Annual Report 2000-2001



**PRECISION WIRES INDIA LIMITED**

Rupees in Lacs

**Financial Highlights**

	@2000/01	1999/00	1998/99	1997/98	1996/97
Equity Share Capital (Paid up)	1046.44	485.22	485.22	485.22	485.22
Reserves & Surplus	4620.72	1846.73	1507.89	1245.36	1046.49
Current Assets	5227.21	2040.87	1473.39	1427.64	2240.13
Current Liabilities	3018.01	1476.44	982.43	948.77	1462.92
Inventories	1126.65	470.51	437.67	349.46	601.95
Sundry Debtors	3054.75	1383.22	903.34	890.09	366.95
Creditors	2802.95	1234.71	736.69	642.49	1134.62
Secured Loans	955.81	121.92	212.24	401.61	953.66
Interest Paid	125.84	40.17	68.67	134.78	234.11
Depreciation	243.96	109.25	99.95	98.39	94.15
Income Tax paid	296.67	132.87	113.69	71.06	106.81
Dividend paid %	*17%	17%	17%	15%	15%
Book Value of Shares	Rs. 54.15	48.07	41.08	35.67	31.57
E.P.S.	Rs. 9.19	8.93	7.30	5.75	6.30
No. of Shareholders	**11455	11599	12489	12508	12208

\* Proposed

\*\* Approximate

@ Figures of Year 2000/01 are not comparable with previous years. Please see Note 4 Schedule 14 to the Accounts for Year 2000/01.





## PRECISION WIRES INDIA LIMITED

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### BOARD OF DIRECTORS :

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

**COMPANY SECRETARY :** Mr. S.G. Sathe

**BANKERS :** Dena Bank (Industrial Finance Branch), Mumbai  
Bank of Baroda, Palej 392 220, Dist. Bharuch

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

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

### ADMINISTRATIVE OFFICE AND WORKS :

**UNIT I:**  
Amlī Hanuman (66KVA) Road,  
Silvassa - 396 230  
(Union Territory of Dadra and Nagar Haveli)

### PALEJ UNIT: ATLAS WIRES

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

### UNIT II: ATLAS WIRES

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

### REGISTRARS AND TRANSFER AGENTS:

Sharepro Services  
Satam Estate, 3rd Floor, Above Bank of Baroda,  
Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

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

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street,

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

The Ahmedabad Stock Exchange,  
Kamdhenu Complex, Opp. Sahajanand  
College, Panjarapole, Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.,  
DSE House, 3/1 Asaf Ali Road,  
New Delhi - 110 002

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## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the members of Precision Wires India Limited will be held at the Hall of Dr. M. Visvesaraya Smarak Mandir, Mogul Lane, Near Matunga (Western) Railway Station, Mumbai 400 016 on Wednesday the 26<sup>th</sup> September, 2001 at 3.00 p.m. to transact the following business:

- 1) To receive, consider and adopt the Report of the Directors, the Report of the Auditors, Balance Sheet as at 31<sup>st</sup> March, 2001 and the Profit and Loss Account for the year ended on that date.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Shri Deepak M Mehta who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri A P Kothari who retires by rotation and is eligible for reappointment.
- 5) To appoint S R Divatia & Co., Chartered Accountants, as the auditors of the company and to fix their remuneration.
- 6) To consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions and approvals as may be necessary in law, the company hereby approves of the re-appointment of Shri Milan M Mehta, as the Managing Director of the company, for a period of five years with effect from 1<sup>st</sup> April, 2001 on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the appointment letter dated 22<sup>nd</sup> January, 2001 submitted to this meeting and for identification signed by the Chairman, which appointment letter is hereby specifically approved and sanctioned with liberty to the Board of Directors, to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission and perquisites and/or letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Milan M Mehta within and in accordance with and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendment or any statutory modifications thereto and if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board of Directors and Shri Milan M Mehta.

RESOLVED FURTHER THAT subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Milan M Mehta as Managing Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company and ten percent of such net profits for all such managerial persons of the company together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove where in any financial year during the currency of his tenure as Managing Director the company has no profits or its profits are inadequate the company will pay

to Shri Milan M Mehta the remuneration by way of salary, perquisites and other allowances not exceeding ceiling limit as amended from time to time specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, or increase the remuneration including salary, commission, perquisites, allowances etc within such prescribed limits or ceiling and the aforesaid appointment letter to Shri Milan M Mehta be suitably amended to give effect to such modifications, relaxations or variation without any further reference to the company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.

- 7) To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

RESOLVED THAT in terms of the Scheme of Amalgamation of Atlas Wires Limited with the company, sanctioned by the Hon'ble High Courts of Judicature at Mumbai and Gujarat under Sections 391 to 394 of the Companies Act, 1956 by their sealed Orders dated 15<sup>th</sup> March, 2001 and dated 11<sup>th</sup> April, 2001 respectively and pursuant to provisions of Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and in accordance with the Schedule XIII to the Companies Act, 1956 and subject to such sanctions as may be necessary in law, the Company hereby approves with effect from the effective date of amalgamation of Atlas Wires Limited with the Company the appointment of Shri Mahendra R Mehta the Chairman of the company and the Chairman and Managing Director of erstwhile Atlas Wires Limited as the Chairman and Managing Director of the company on the same remuneration and on the same terms and conditions as contained in the appointment letter dated 30<sup>th</sup> August, 1999 issued to him by the said erstwhile Atlas Wires Limited for the balance period of his existing appointment and the said appointment letter dated 30<sup>th</sup> August, 1999 submitted to this meeting and for identification signed by the Chairman is hereby specifically sanctioned.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.

- 8) To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

RESOLVED THAT in terms of the Scheme of Amalgamation of Atlas Wires Limited with the company, sanctioned by the Hon'ble High Courts of Judicature at Mumbai and Gujarat under Sections 391 to 391 of the Companies Act, 1956 by their sealed Orders dated 15<sup>th</sup> March, 2001 and dated 11<sup>th</sup> April, 2001 respectively and pursuant to provisions of Sections 269, 309, 311 and other applicable provisions

**NOTICE TO MEMBERS**

of the Companies Act, 1956 and in accordance with the Schedule XIII to the Companies Act, 1956 and subject to such sanctions as may be necessary in law, the Company hereby approves with effect from the effective date of amalgamation of Atlas Wires Limited with the Company the appointment of Shri Deepak M Mehta the Director of the company and the Wholetime Director of erstwhile Atlas Wires Limited as the Wholetime Director of the company on the same remuneration and on the same terms and conditions as contained in the appointment letter dated 14th July, 1997 as modified by letters dated 28th September 1998 and 30th August 1999 issued to him by the said erstwhile Atlas Wires Limited for the balance period of his existing appointment and the said appointment letter dated 14th July, 1997 and letters of modifications dated 28th September, 1998 and 30th August, 1999 submitted to this meeting and for identification signed by the Chairman are hereby specifically sanctioned.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.

- 9) To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to section 31 read with section 77A(2)(a) of the Companies Act, 1956, Articles of Association of the company be and are hereby altered by way of addition of the following new Article 6A after the existing Article 6:-

"6A: Notwithstanding anything contained in these Articles but subject to the provisions of the Act the company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of any shares or other specified securities other than out of the proceeds of an earlier issue of the same kind of shares or same kind of other securities by passing a special resolution in the general meeting of the company subject to the provisions of sections 77A, 77AA and 77B of the Act."

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

RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, listing agreements, directives / guide lines issued by Securities and Exchange Board of India (SEBI) and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as 'the Board', which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the company be and is hereby accorded to

the Board to delist the equity shares of the company from all or any of Stock Exchanges at Ahmedabad and/or New Delhi.

By order of the Board

S.G. Sathe  
Company Secretary

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

Mumbai - 400 025  
28-6-2001

**Notes :-**

- 1) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of items 6 to 10 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.
- 3) The Register of Members and the transfer books of the company will remain closed from 17<sup>th</sup> September, 2001 to 26<sup>th</sup> September, 2001 both days inclusive.
- 4) The dividend on equity shares when declared will be payable on or after 1<sup>st</sup> October, 2001 to those members whose names appears on the register of members on 26<sup>th</sup> September 2001, or to their mandatees subject to the provisions of Section 206(A) of the Act.
- 5) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services, Satam Estate, 3<sup>rd</sup> floor, above Bank of Baroda, Cardinal Gracious Road, Andheri (East), Mumbai - 400 099, the Registrar and Share Transfer Agents of the company.
- 6) In accordance with the provisions of Section 205A of the Act, the company has transferred unclaimed dividend relating to the year ended 31<sup>st</sup> March, 1995, to the general revenue account of the Central Government. Members who have valid claims to the unclaimed dividend referred to above may claim the same from the Registrar of Companies, Maharashtra, Hakoba Compound, Kala Chowky, Mumbai 400 033 in the prescribed manner.

Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31<sup>st</sup> March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 1996 or any subsequent financial years are requested to send their claims to the Company at its Registered Office. It may also noted that once unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

## NOTICE TO MEMBERS

### 7) Information required to be furnished under the Listing Agreement:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

1. **Name:** Shri Mahendra R Mehta **Age:** 72 Years **Expertise:** He has over 49 years' experience in Industry. He was the Chairman and Managing Director of erstwhile Atlas Wires Limited since 1980 and a Promoter Director of this company. After the amalgamation of erstwhile Atlas Wires Limited, in terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Courts of Bombay and Gujarat vide their Orders dated 15.3.2001 and 11.4.2001 respectively, Shri Mahendra R Mehta has become the Chairman & Managing Director of the Company w.e.f. 4<sup>th</sup> May, 2001 in terms of his appointment vide letter dated 31<sup>st</sup> August 1999 issued by erstwhile Atlas Wires Limited, for the balance term of his appointment. **Other Directorships:** Galvawire Agencies Pvt. Ltd.
2. **Name:** Shri Deepak Mahendra Mehta **Age:** 44 Years **Qualifications:** B. Com. **Expertise:** He has over 21 years' experience in the Industry. He was the Whole-time Director of erstwhile Atlas Wires Limited since January 1989 and a Promoter Director of this company. After the amalgamation of erstwhile Atlas Wires Limited, in terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Courts of Bombay and Gujarat vide their Orders dated 15.3.2001 and 11.4.2001 respectively, Shri Deepak Mehta has become the Whole-

time Director of the Company w.e.f. 4<sup>th</sup> May, 2001 in terms of his appointment vide letter dated 14<sup>th</sup> July, 1997 and modified vide letters dated 28<sup>th</sup> September, 1998 and 30<sup>th</sup> August, 1999 issued by erstwhile Atlas Wires Limited, for the balance term of his appointment. He is a member of the Shareholders' Grievance Committee. **Other Directorships:** Galvawire Agencies Pvt. Ltd.

3. **Name:** Shri Milan Mahendra Mehta **Age:** 38 Years **Qualifications:** B.S (Electrical-Electronics) **Expertise:** He has over 16 years' experience in handling technical & commercial matters relating to the Industry. He is a Promoter Director of the Company and was appointed its Managing Director in April 1996. He is a member of the Shareholders' Grievance Committee. **Other Directorships:** None
4. **Name:** Shri Ashwinkumar Pannalal Kothari **Age:** 59 Years **Qualifications:** S.B. (M.I.T.) **Expertise:** He has vast experience in ferrous and non-ferrous metal & chemical industries. He was appointed as Additional Director of the Company in October 1998 and a Director of the Company in July, 1999. He is a member of the Audit Committee. **Other Directorships:** Aroni Chemical Industries Ltd., Jatayu Textiles and Industries Ltd., Four Dimensions Securities (India) Ltd., Jacqart Chemical Industries Ltd., Vidula Traders Ltd., Five Star Trading and Investment Co. Ltd., Rajashree Holding Ltd., Gwalior Chemicals Industries Ltd., Meenakshi Steel Industries Ltd., Park Avenue Engineering Ltd., Four Dimensions Capital Markets Ltd., Atofina Catalyst India Ltd., Essel Mining and Industries Ltd.

### ANNEXURE TO NOTICE

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

The Explanatory Statement for Item Nos 6 to 10 of the accompanying Notice set out hereinabove is as under:

#### Item 6

Shri Milan M Mehta was appointed as Managing Director for a period of 5 years with effect from 1<sup>st</sup> April, 1996 on the terms and conditions and remuneration approved at the extraordinary general meeting of the company held on 23<sup>rd</sup> March, 1996 and modified by the special resolution passed at the Annual General Meeting held on 23<sup>rd</sup> July, 1999. The said term of the five years of Shri Milan M Mehta as the Managing Director expired on 31<sup>st</sup> March, 2001. The Board of Director has re-appointed Shri Milan M Mehta as Managing Director for a further period of five years with effect from 1<sup>st</sup> April, 2001.

In accordance with the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956, the terms and conditions, including remuneration and perquisites as set out in the appointment letter dated 22<sup>nd</sup> January, 2001 issued, to Shri Milan M Mehta, are within the limits prescribed under Schedule XIII to the Companies Act, 1956.

The remuneration and perquisites payable to Shri Milan M Mehta as Managing Director, with effect from 1<sup>st</sup> April, 2001 are as follows:-

#### Salary

Rs 1,00,000/- (Rupees One lakh only) per month.

#### 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 309(5) of the Companies Act, 1956, subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, subject to maximum commission payable being restricted to 50% of the annual salary, or such higher commission as the Board of Directors of the company may determine keeping in view the performance of the company in respect of each financial year.

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

#### Perquisites

##### 1. Housing:

The Managing Director shall be entitled to rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors.






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**NOTICE TO MEMBERS**


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**2. Medical Re-imbursement**

Reimbursement of medical expenses incurred for Shri Milan M Mehta and family.

**3. Reimbursement of gas, electricity, water charges and furnishings.**

4. Leave travel concession for Shri Milan 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 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 5000/- per annum.

7. Provision of car for business as well as for personal purposes with driver.

8. Telephone & Internet connection at the residence for business as well as personal use.

9. Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.

Shri Milan 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.

c) 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. Leave accumulated at the end of his current term will be allowed to be encashed.

Explanation : 'Family' means the spouse, the dependent children and dependent parents of the Managing Director.

The above remuneration by way of salary, perquisites and other allowances not exceeding ceiling limits specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956 as amended from time to time shall also be paid to Shri Milan M Mehta in the event of loss or inadequacy of profits in any financial year during the aforesaid period.

**Other terms**

a) The Managing Director shall not be paid any sitting fees for the meetings of the Board or any committee thereof attended by him.

b) The Managing Director shall be entitled to re-imbursement of all actual expenses, including entertainment and travelling expenses incurred in the course of 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.

**Memorandum of interest**

Shri Milan M Mehta, Managing Director is concerned or interested in the above resolution at Item No 6 as also in the appointment letter referred to in the said item, as it relates to the terms of his own appointment and remuneration.

Shri Mahindra R Mehta, Chairman and Managing Director and Shri Deepak M Mehta, Wholetime Director may be deemed to be concerned or interested in the above as they are relatives being father and brother, respectively of Shri Milan M Mehta.

None of the other Directors is interested in the Resolution at item No. 6 of the accompanying Notice.

The appointment letter dated 22<sup>nd</sup> January, 2001 referred to in the resolution at Item No 6 of the accompanying notice is open for inspection by the members at the Registered office of the company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

Under the Articles of Association of the Company, Shri Milan M Mehta, being Managing Director, will not be liable to retire by rotation.

**Item No. 7 and 8**

Pursuant to Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 (the Act) and in accordance with the Schedule XIII to the Act Shri Mahendra R Mehta the Chairman of the company and Shri Deepak M Mehta the Director of the company were appointed by the Board of Directors of Atlas Wires Limited (AWL) as Managing Director and Wholetime Director of AWL for a period of five years with effect from 1<sup>st</sup> September, 1999 and 1<sup>st</sup> August 1997 respectively.

Further, pursuant to Sections 269, 309, 311 and other applicable provisions of the Act and in accordance with the Schedule XIII to the Act their said appointments were approved by the company (AWL) in general meetings on remuneration (including the remuneration to be paid to them in the event of loss or inadequacy of profits in any financial year during the said period) and other terms and conditions contained in the appointment letter dated 14<sup>th</sup> July, 1997 and modified by letters dated 28<sup>th</sup> September, 1998 and 30<sup>th</sup> August, 1999 issued to Shri Deepak M Mehta and the appointment letter dated 30<sup>th</sup> August, 1999 issued to Shri Mahendra R Mehta by the erstwhile Atlas Wires Limited.

In terms of the scheme of amalgamation of AWL with the company sanctioned by the High Courts of Judicature at Mumbai and Gujarat under Sections 391 to 394 of the Companies Act, 1956 by their sealed Orders dated 15<sup>th</sup> March, 2001 and 11<sup>th</sup> April, 2001 respectively, Shri Mahendra R Mehta the Chairman of the company and Chairman and Managing Director of AWL shall on and after effective date be the Chairman and Managing Director of the company and Shri Deepak M Mehta the Director of the company and the Wholetime Director of AWL shall on and after the effective date be the Wholetime Director of the company both on the same remuneration and on the same terms and conditions as contained in the respective appointment letters mentioned above for the balance period of their existing appointments as mentioned in the Clause 13 of the scheme of amalgamation.

## NOTICE TO MEMBERS

The remuneration and the perquisites payable to Shri Mahendra R Mehta and Shri Deepak M Mehta are as follows:-

	Shri Mahendra R Mehta	Shri Deepak M Mehta
Balance period of appointment	Upto 31st August 2004	Upto 31 <sup>st</sup> July, 2002
Salary	Rs. 1,00,000/- (Rs. One Lakh only) per month	Rs. 80,000/- (Rs. Eighty thousand only) per month
The Commission and perquisites payable to Shri Mahendra R Mehta and Shri Deepak M Mehta, Minimum Remuneration payable to both of them and other terms of their appointments are identical, as under :		
Commission	In addition to Salary, perquisites and other allowances, Commission based on the net profits of the company computed in the manner laid down in Sections 309 (5) of the companies Act, 1956, subject to the provisions of Sections 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956. Such Commission shall be of such percentage and of such amount as the Board of Directors of the Company may determine keeping view the performance of the company in respect of each financial year.	
Perquisites:		
1.	Rent free furnished accommodation. In case no accommodation is provided by the company, they will be entitled to house rent allowance as may be approved by the Board of Directors.	
2.	Reimbursement of gas, electricity, water charges and furnishings.	
3.	Reimbursement of medical expenses for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.	
4	Leave travel concession for self and family for each year including stay expenses at hotel in accordance with the rules for the time being of the company. In case in any year leave travel concession is not availed of, it shall get accumulated subject to a maximum of three years.	
5.	Expenses of clubs, subject to a maximum of two clubs, upto an amount of Rs. 40,000/- per year.	
6.	Personal accident insurance subject to a maximum premium of Rs. 5,000/- per annum	
7.	Free use of company's car with driver for business as well as personal purposes. A sum of Rs. 500/- per month shall be billed / deducted by the company from salary towards its use for private purpose.	
8.	Free telephone facility at residence subject to deduction of maximum of Rs. 300/- per month for personal use.	
9.	Services of maximum two servants at the residence or reimbursement of expenses incurred on two servants.	
Other Perquisites which shall not be included in the computation of ceiling on the remuneration in the event the company has no profits or its profits are inadequate in any financial year during the aforesaid period:		
10.	Contribution to Provident fund, superannuation fund or annuity fund as per the schemes of the company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.	
11.	Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.	
12	Earned / Privilege leave on full pay and allowances – one month's leave for every eleven months of service shall be allowed. Leave accumulated at the end of their current terms will be allowed to be encashed.	
Minimum Remuneration:		
The above remuneration by way of salary, perquisites and other allowances not exceeding ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month each shall also be paid to Shri Mahendra R Mehta and Shri Deepak M Mehta in the event of loss or inadequacy of profits in any financial year during the aforesaid period in addition to the perquisites stated in clause 10 to 12 above within specified limits stipulated under Section II of Part II of the Schedule XIII to the Companies Act, 1956.		
Other Terms:		
The above appointments may be terminated by either party by giving the other, three months' prior notice in writing.		





## NOTICE TO MEMBERS

**Explanations:** Family means the spouse, the dependent children and the dependent parents of the Chairman & Managing Director and Whole time Director.

### Memorandum of interest

Shri Mahendra R Mehta and Shri Deepak M Mehta are concerned or interested in the above resolutions at item Nos 7 and 8 as also in their said appointment letters referred above as they relate to the terms of their own appointment and remuneration.

Shri Milan M Mehta may be deemed to be concerned or interested in the above as Shri Milan M Mehta is relative being son and brother respectively of Shri Mahendra R Mehta and Shri Deepak M Mehta.

None of the other Directors is interested in the above resolutions.

The above resolutions at item No. 7 and item No. 8 are proposed by way of abundant caution.

The appointment letter dated 14<sup>th</sup> July, 1997 and letters of modification dated 28<sup>th</sup> September, 1998 and 30<sup>th</sup> August, 1999 issued to Shri Deepak M Mehta and the appointment letter dated 30<sup>th</sup> August, 1999 issued to Shri Mahendra R Mehta by the erstwhile Atlas Wires Ltd., Resolutions of the Board of Directors and of the General Meetings of AWL relating thereto, the scheme of amalgamation and the orders of the High Courts of Judicature at Bombay and Gujarat referred to in the resolutions at item Nos 7 and 8 of the accompanying notice are open for inspection by the members at the Registered office of the company between 11.00 A.M. and 1.00 P.M. on any working day except Saturday.

### Item 9

The Companies Act, 1956 as amended permits the company to purchase its own shares and securities. The Articles of Association of the company are proposed to be altered by insertion of Article 6A as set out in the resolution at Item 9 of the Notice convening the twelfth Annual General Meeting to enable the company to purchase its own shares and or securities.

### Memorandum of Interest:

None of the directors of the company, are in anyway, concerned or interested in the resolution, save and except to the extent that, in like manner as for all other shareholders, in the event of the company proposing to buy back its shares, their percentage holding in the post Buy-back equity share capital will proportionately stand enhanced as a result of the share Buy-back.

A copy of the Memorandum and Articles of Association of the company together with the proposed alteration as mentioned above to the Articles of Association of the company is available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day, except Saturday.

### Item 10

Presently, the Company's Equity Shares are listed at the following Stock Exchanges in India:-

- i) The Stock Exchange, Mumbai (the Regional Stock Exchange)
- ii) The National Stock Exchange of India Limited, Mumbai
- iii) The Stock Exchange, Ahmedabad
- iv) The Delhi Stock Exchange Association Limited

With the extensive networking of The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE), and the extension of the BSE/NSE terminals to other cities as well, investors have access to online dealing in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and the NSE. According to the information available with the Company, there has been no trading in the Company's shares on the Ahmedabad Stock Exchange from April 98 onwards till 21<sup>st</sup> March 2001 and on the Delhi Stock Exchange from the date of listing till 15<sup>th</sup> April 1999. The information about trading on Ahmedabad Stock Exchange prior to April 1998 and on Delhi Stock Exchange after 15<sup>th</sup> April 1999 is not available with the Company.

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 26<sup>th</sup> December, 2000.

It is also observed that the listing fee paid to the other Stock Exchanges is disproportionately higher and practically there is no trading on Ahmedabad and Delhi Stock Exchanges.

As a part of the cost reduction measure, the resolution will enable the company to de-list its equity share from Ahmedabad and Delhi Stock Exchanges at an appropriate time in the future.

In line with the SEBI regulations and approvals, if any, required members' approval is being sought by a special resolution for enabling voluntary delisting of its securities from the aforesaid Stock Exchanges.

The company is also separately giving special notice of the proposed enabling resolution for the said delisting in newspapers. The proposed delisting of the Company's securities from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited, as and when the same takes place, will not adversely affect the investors. The Company's securities will continue to be listed on The Stock Exchange, Mumbai (BSE) as the Regional Stock Exchange and the National Stock Exchange. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the special resolution for approval of members.

None of the Directors of the company is in any way concerned or interested in the resolution.

By order of the Board

S.G. Sathe  
Company Secretary

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

28-6-2001

## D I R E C T O R S '   R E P O R T

The Directors hereby present the 12<sup>th</sup> Annual Report of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March 2001.

### 1. Financial Results

	Rupees in Lakhs	
	2000-2001	1999-2000
Sales (including Excise Duty)	17873.60	6439.47
Less : Excise Duty	(2678.85)	(984.82)
Sales (Net of Excise Duty)	15194.75	5454.65
Operating Profit	1540.13	657.75
Add: Other Income	88.50	57.60
Profit before Interest, Depreciation & Taxes	1628.63	715.35
Interest	(125.84)	(40.17)
Depreciation	(243.96)	(109.25)
Profit before Taxes	1258.83	565.93
Provision for Income Tax	(300.00)	(145.00)
Prior Years' Tax Adjustments	3.33	12.13
Profit after Tax	962.16	433.06
Add: Balance brought forward from last account	108.79	47.89
Balance available :	1070.95	480.95
Which the Directors recommend for appropriation as under:		
(i) Proposed Dividend on Equity Shares for the year @ 17%	177.90	82.47
(ii) Corporate Tax on Dividend	18.14	11.74
(iii) Transfer to General Reserve	779.17	325.00
	975.21	419.21
Balance to be carried forward in Profit & Loss Account	95.74	61.73

### 2. Dividend

The Directors are pleased to recommend, subject to the approval by members at the Annual General Meeting, a Dividend of Rs. 1.70 per Equity Share on expanded equity capital base of the company for the year under review including on shares allotted to the members of Atlas Wires Limited on pari-passu basis for the financial year 2000-01.

### 3. Amalgamation of Atlas Wires Limited with Precision Wires India Limited

Pursuant to the Scheme of Amalgamation of the erstwhile Atlas Wires Limited (AWL) with the Company as approved by the shareholders of the Company in the Court-convened Meeting of Equity Shareholders of the Company held on 12<sup>th</sup> October, 2000, and subsequently as sanctioned by the Jurisdictional Hon'ble High Courts of Bombay and Gujarat, vide by their Orders dated 15<sup>th</sup> March 2001 and 11<sup>th</sup> April 2001 respectively, M/s Atlas Wires Limited (AWL) amalgamated with Precision Wires India Limited with effect from appointed date being 1<sup>st</sup> April, 2000. All the assets

and liabilities of AWL, therefore, have been transferred to and vested in the Company from the above date. Accordingly the Financial results for the year under review also include the results of the operations of erstwhile M/s Atlas Wires Limited for the full year and hence are not comparable with the results of the Company for the previous year i.e. for the period before amalgamation.

As provided in the Scheme of Amalgamation of erstwhile M/s. Atlas Wires Ltd (AWL) with the Company, upon the amalgamation having become effective on 4<sup>th</sup> May, 2001, the employees of erstwhile AWL have become the employees of the Company and Shri Mahendra R Mehta and Shri Deepak M Mehta Chairman and Managing Director of AWL and Whole-time Director of AWL respectively, continue as Chairman and Managing Director of the Company and as Whole-time Director of the Company respectively on the same terms and conditions and on the same remuneration for the balance period of their existing tenure as approved by AWL.

A Resolution seeking formal sanction of the members in this regard is proposed and included in the Agenda of the Notice of ensuing Annual General Meeting.

During the year, out of 90,00,000 unclassified shares of Rs. 10/- each in the Authorised Equity Share Capital of the Company 60,00,000 shares of Rs. 10 each were classified as Equity Shares for the purpose of issue and allotment of 69,36,123 equity shares of Rs. 10/- each to the shareholders of erstwhile Atlas Wires Limited. Therefore unclassified Authorised Share Capital, consequently, becomes three crores divided into thirty lakhs shares of Rs. ten each.

As provided in the Scheme of Amalgamation, the Company has issued and allotted fully paid 69,36,123 Nos. Equity Shares of Rs. 10 each to the Shareholders of erstwhile Atlas Wires Limited in proportion of 185 fully paid equity shares of Rs. 10 each of the Company for every one hundred shares of Atlas Wires Limited held. Simultaneously 13,23,900 No. of equity shares of Rs. 10 each fully paid held by erstwhile Atlas Wires Limited in the Company have been cancelled.

For the transfer of credit facilities sanctioned to and enjoyed by erstwhile Atlas Wires Limited, the Company has agreed to create equitable mortgage in favour of Bank of Baroda in respect of the immovable properties of erstwhile Atlas Wires Limited, and also issued "Letter of Acknowledgement of Debt" and "Deed of Confirmation" to the Bank.

### 4. Operations

During the previous year, the production of enamelled copper winding wires of the Company was 3903 MT, which after amalgamation during the year under review was 9460 MT of all the three Units of the Company. The Production on Job work during the period was 14.64% (Previous Year 19.27%) of the total production.

The Average cost of Company's principal input viz Copper Rods was higher during the year under review as compared to the previous year. The domestic producers of copper have changed the pricing mechanism of rod from known basis to the unknown. This change in the pricing mechanism