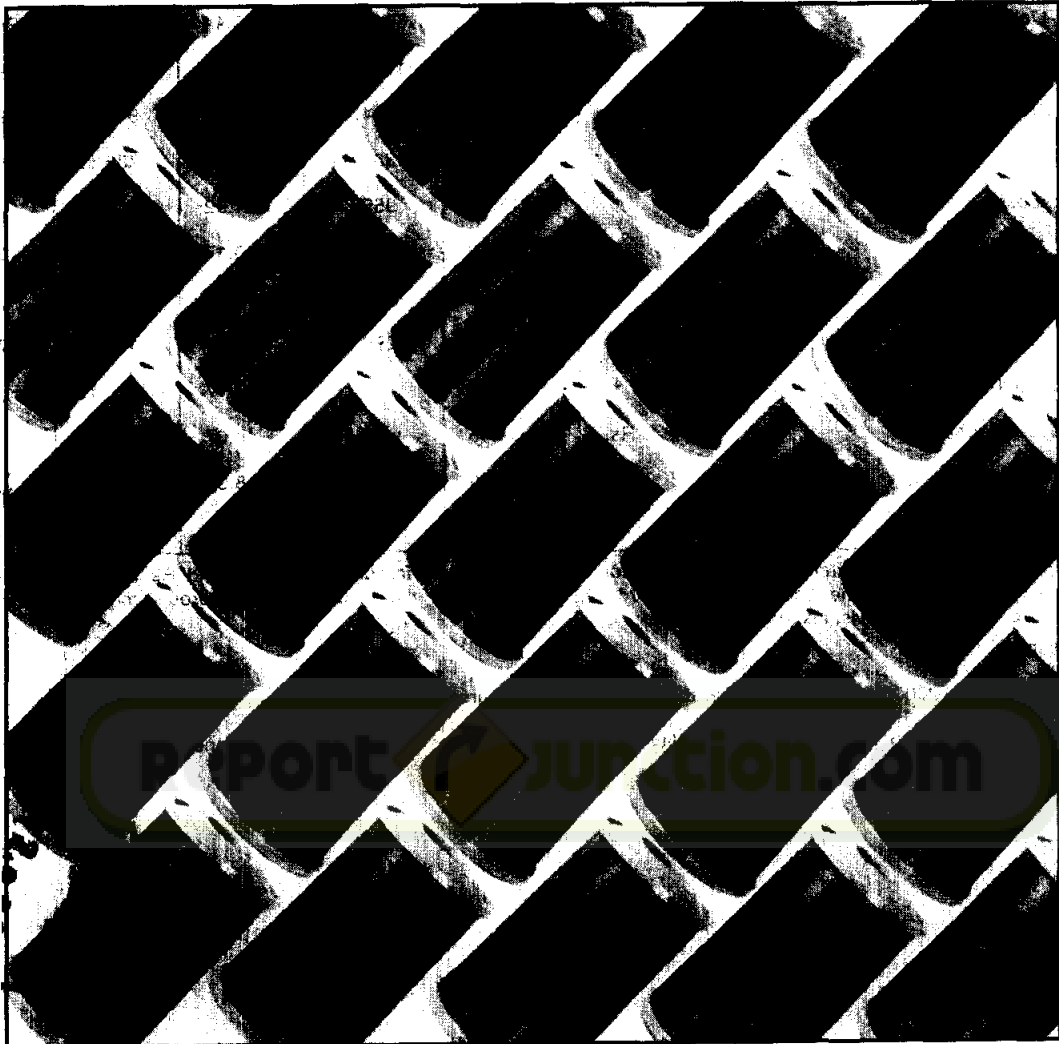


# Annual Report

## 2001-2002



**PRECISION WIRES INDIA LIMITED**

Rupees in Lacs

**Financial Highlights**

		2001/02	@2000/01	1999/00	1998/99	1997/98
Equity Share Capital (Paid up)		1046.44	1046.44	485.22	485.22	485.22
Reserves & Surplus	++	4651.37	4620.72	1846.73	1507.89	1245.36
Provision for Deferred Tax Liability for Previous years	++	615.29	—	—	—	—
Provision for Deferred Tax Liability for the year	++	97.30	—	—	—	—
Current Assets		6037.27	5227.21	2040.87	1473.39	1427.64
Current Liabilities		3182.86	3018.01	1476.44	982.43	948.77
Inventories		1258.21	1126.65	470.51	437.67	349.46
Sundry Debtors		3335.15	3054.75	1383.22	903.34	890.09
Creditors		3154.69	2802.95	1234.71	736.69	642.49
Secured Loans		815.41	955.81	121.92	212.24	401.61
Interest Paid		180.42	125.84	40.17	68.67	134.78
Depreciation		308.01	243.96	109.25	99.95	98.39
Income Tax paid		269.46	296.67	132.87	113.69	71.06
Dividend paid	%	17	17	17	17	15
Book Value of Shares	# Rs.	54.45	54.15	48.07	41.08	35.67
E.P.S.	Rs.	8.05	9.19	8.93	7.30	5.75
No. of Shareholders		**11338	11455	11599	12489	12508

++ After making provision for deferred Tax Liability for Rs 615.29 Lakhs for previous years and Rs 97.30 Lakhs for the year as required under the Accounting Standard--22 prescribed by the Institute of Chartered Accountants of India. These are Non-cash provisions only.

\*\* Approximate

@ Figures for year 2000/01 are not comparable with previous years.

# After making provision for deferred tax liability for Rs. 615.29 Lakhs for previous years and Rs. 97.30 Lakhs for Current Year.



## PRECISION WIRES INDIA LIMITED

### BOARD OF DIRECTORS :

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

\* Independent, Non-Executive Directors.

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

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

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

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

**PALEJ UNIT: ATLAS WIRES**  
No. 3, G.I.D.C.,  
N.H. No. 8, Palej 392 220  
Dist. Bharuch (Gujarat)

### ADMINISTRATIVE OFFICE AND WORKS :

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

**UNIT II: ATLAS WIRES**  
Amli 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,  
Fort, Mumbai 400 023.

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

The Ahmedabad Stock Exchange,  
Kamdheni 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**


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NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Precision Wires India Limited will be held at the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393 Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai - 400019 on Saturday the 28<sup>th</sup> September, 2002 at 3.00 p.m. to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To record the interim dividend on Equity Shares already paid.
- 3) To appoint a Director in place of Shri P R Merchant who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri P N Vencatesan who retires by rotation and is eligible for reappointment.
- 5) To appoint S R Divatia & Co., Chartered Accountants, as the auditors of the company and fix their remuneration.
- 6) To consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act 1956 as amended up to date and subject to such sanctions and approvals as may be necessary in law, the company hereby approves of the re-appointment on payment of remuneration to Shri Deepak M Mehta, as the Whole-time Director of the company, for a period of five years with effect from 1<sup>st</sup> August, 2002 to 31<sup>st</sup> July 2007 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 10<sup>th</sup> May 2002, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, 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, 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 the 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 where 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 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 Deepak M Mehta be suitably amended to give effect to such modifications, relaxations or variation without any further reference to the company.

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

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

RESOLVED THAT pursuant to the provisions of Section 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as required under Law and further to and in partial modification of the resolution passed by the Company in its Annual General Meeting held on 26<sup>th</sup> September, 2001, appointing Shri Milan M Mehta as 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 as set out therein and as contained in the appointment letter dated 22<sup>nd</sup> January 2001 the Company hereby approves within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, and subject to such approvals if any, as may be necessary, the increase in the salary of Shri Milan M Mehta from Rs. 1,00,000/- (Rs. One Lakh only) per month to Rs 1,50,000/- (Rs. One Lakh Fifty Thousand only) per month with effect from 1<sup>st</sup> August 2002 for the remaining period of his current tenure of office as Managing Director, that is from 1<sup>st</sup> August 2002 to 31<sup>st</sup> March 2006 as set out in the Supplemental Appointment Letter dated 22<sup>nd</sup> June 2002 submitted to this meeting and for identification signed by the Chairman and this Supplemental Appointmen



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**NOTICE TO MEMBERS**

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letter dated 22<sup>nd</sup> June 2002 is hereby specifically approved with liberty and powers to the Board of Directors to alter, vary and modify the terms and conditions of the said Supplemental Letter dated 22<sup>nd</sup> June 2002 in such manner as may be agreed between the Board of Directors and Shri Milan 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 amendments, modifications or re enactment made thereto from time to time 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 provision 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 5 % of net profits of the Company computed under section 198 of the Companies Act, 1956 and 10 % of such net profits for all such managerial personnel of the Company together in that financial year.

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

RESOLVED FURTHER THAT 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 they may take such steps necessary, expedient or desirable in the best interest of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary or required under Law and further to and in partial modification of (a) the resolution passed by erstwhile Atlas Wires Ltd, the Transferor Company in its Annual General Meeting held on 30<sup>th</sup> August, 1999 and (b) the Resolution passed by the Company in its Annual General Meeting held on 26<sup>th</sup> September 2001, appointing Shri Mahendra R. Mehta as Managing Director of the said Company for a period of five years with effect from 1<sup>st</sup> September 1999 and appointing him as Managing Director for the balance period with effect from the effective date of amalgamation of the said erstwhile Atlas Wires Ltd with the company respectively on remuneration and terms and conditions as set out therein and as contained in the

appointment letter dated 30<sup>th</sup> August, 1999 the Company hereby approves within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, the increase in the salary of Shri Mahendra R. Mehta from Rs.1,00,000/- (Rupees One Lakh only) per month to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month with effect from 1<sup>st</sup> September 2002 for the remaining period of his current tenure of office as Managing Director, that is from 1<sup>st</sup> September, 2002 to 31<sup>st</sup> August 2004 as set out in the Supplemental Appointment letter dated 22<sup>nd</sup> June, 2002 submitted to this meeting and for identification signed by the Chairman and this Supplemental Appointment Letter dated 22<sup>nd</sup> June, 2002 is hereby specifically approved with the liberty and powers to the Board of Directors to alter, vary and modify the terms and conditions of the said Supplemental Appointment Letter date 22<sup>nd</sup> June, 2002 in such a manner as may be agreed between the Board of Directors and Shri Mahendra R. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956 or any amendments, modifications or enactment made from time to time.

RESOLVED FURTHER THAT subject to the provision of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Mahendra R. Mehta as Managing Director by way of salary, perquisites, commission and other allowances shall not exceed 5 % of net profits of the Company computed under section 198 of the Companies Act, 1956 and 10 % of such net profits for all such managerial personnel of the Company together in that financial year.

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

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

By order of the Board

S.G. Sathe  
Company Secretary

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

Mumbai,  
22<sup>nd</sup> June 2002.

## NOTICE TO MEMBERS

**Notes :-**

- 1) An explanatory statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of items 6 to 8 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 OF THE COMPANY.
- 3) The Register of Members and the share transfer books of the company will remain closed from 20<sup>th</sup> September, 2002 to 28<sup>th</sup> September, 2002 both days inclusive.
- 4) 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.
- 5) 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.
- 6) 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:

**A. Retiring Directors**

**NAME OF THE DIRECTOR:** SHRI P.R. MERCHANT **DATE OF BIRTH & AGE:** 2<sup>nd</sup> March, 1935 **AGE:** 67 YEARS **DATE OF APPOINTMENT:** 28<sup>th</sup> October, 1998 **EXPERTISE IN SPECIFIC FUNCTION:** He has long experience in the Banking Industry and has retired in 1995 as the Executive Director of Bank of Baroda. During his banking career he was appointed as the Nominee Director of the Bank / IDBI

on the Boards of various companies. He is a Director of the Company since October 1998 and is a member of the Audit Committee and the Remuneration Committee of Directors of the Company. **QUALIFICATIONS:** B Com. **CAIIB-I LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31<sup>ST</sup> MARCH 2002:** (a)KJMC Asset Management Co.Ltd. (b)Ashok Alco-chem Ltd. (c)Gujarat Setco Clutch Ltd., **CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31<sup>ST</sup> MARCH 2002:** Chairman of Audit Committee and Member of Remuneration Committee of KJMC Asset Management Co. Ltd. Member of Shareholders Grievances Committee of Ashok Alco-chem Ltd.

**NAME OF THE DIRECTOR:** SHRI P.N. VENCATESAN **DATE OF BIRTH & AGE:** 18<sup>th</sup> August, 1926 **AGE:** 75 YEARS **DATE OF APPOINTMENT:** 11<sup>th</sup> September, 1991 **EXPERTISE IN SPECIFIC FUNCTION:** He was the Vice Chairman & Managing Director of Premier Automobiles Ltd when he retired in 1984. He is a renowned Management Consultant. He is on the Board of the Company since 1991 and is the Chairman of the Audit Committee, Remuneration Committee and Shareholders' Grievance Committee of Directors of the Company. **QUALIFICATIONS:** Chartered Accountant **LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31<sup>ST</sup> MARCH 2002:** (a)Rane (Madras) Ltd. (b)VENC Management Consultants P. Ltd. (c)ETAL Management System P. Ltd. (d)Consilium Private Ltd. (e)Siro Plast Ltd. (f)Krissteel-Shirwa Industries Ltd. **CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31<sup>ST</sup> MARCH 2002:** Member of Audit Committee of Rane (Madras) Ltd.

**B. Reappointment of Shri Deepak M. Mehta as whole-time Director of the Company :**

**NAME OF THE DIRECTOR:** SHRI DEEPAK M. MEHTA **DATE OF BIRTH & AGE:** 20<sup>th</sup> September, 1956 **AGE:** 45 YEARS **DATE OF APPOINTMENT:** Since incorporation **EXPERTISE IN SPECIFIC FUNCTION:** He has over 22 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 15.03.2001 and 11.04.2001 respectively, Shri Deepak M. Mehta has become the Whole-time Director of the Company w.e.f. 04.05.2001 in terms of his appointment vide letter dated 14.07.1997 and modified vide letters dated 28.09.1998 and 30.08.1999 issued by erstwhile Atlas Wires Limited, for the balance term of his appointment. He is a member of the Shareholders' Grievance Committee. **QUALIFICATIONS:** B Com. **LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31<sup>ST</sup> MARCH 2002:** Galvawire Agencies Pvt. Ltd.




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**NOTICE TO MEMBERS**


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**ANNEXURE TO NOTICE**

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

**Item 6**

Shri Deepak M Mehta 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 M. Mehta became the Whole-time Director of the Company with effect from 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, which expires on 31<sup>st</sup> July 2002. The Board of Director has re-appointed Shri Deepak M Mehta as Whole-time Director of the Company for a further period of five years with effect from 1<sup>st</sup> August, 2002.

The terms and conditions and remuneration relating to his appointment as Whole-time Director of the Company are set out in the appointment letter dated 10<sup>th</sup> May 2002 which duly initiated by the Chairman for the purpose of identification is placed in the meeting and is subject to the approval of the members of the Company as required under section 269 read with Schedule XIII to the Companies Act, 1956.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of working Directors with a view to align such packages with the practice prevailing in the corporate world and came to the conclusion that a proper revision was called for and accordingly has approved, subject to the approval by the Company in General Meeting and any other sanctions and approvals that may be required, the remuneration, perquisites and other allowances payable to Shri Deepak M Mehta as Whole-time Director, with effect from 1<sup>st</sup> August 2002. The principal terms and conditions as contained in the said appointment letter dated 10<sup>th</sup> May 2002 are as under: -

**Salary**

Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand 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. However, such higher commission shall not exceed the total annual salary for the year.

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

**Perquisites**

1. **Housing:**  
The Whole-time Director shall be entitled to 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-imbursement**  
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 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.**
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.
- c) Encashment of leave at the end of the tenure

Explanation: 'Family' means the spouse, the dependent children and dependent parents of the Whole-time Director.

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.

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**NOTICE TO MEMBERS**


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**Other terms**

- 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 the Directors or any committee thereof attended by him.
- The Whole-time Director shall be entitled to re-imbursement of all actual expenses, including entertainment, traveling, Hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- 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.

In compliance with the provisions of Section 269, 309 and other applicable Provisions of the Companies Act 1956 the terms and conditions relating to his appointment and remuneration specified above are placed before the members in the General Meeting for their approval.

**Memorandum of interest**

Shri Deepak M Mehta, Whole-time Director is concerned or interested in the resolution at the 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 Mahendra R Mehta, Chairman and Managing Director and Shri Milan M Mehta, Managing Director may be deemed to be concerned or interested in the above as they are relatives being father and brother, respectively of Shri Deepak M Mehta.

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

The appointment letter dated 10<sup>th</sup> May 2002 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 of the Company except Saturday.

**Item No. 7**

The remuneration committee of the Board of Directors of the Company reviewed the remuneration packages of the working Directors of the Company with a view to align such package with the practice prevailing in the corporate world and came to the conclusion that a proper revision was called for and accordingly subject to the approval of the members at a General Meeting, approved the increase in the salary of Shri Milan Mehta from Rs. 100000/- (Rs. One Lakh only) per month to Rs. 1,50,000/- (Rs. One Lakh Fifty Thousand only) per month, with effect from 1<sup>st</sup> August 2002 for the residual period of his current tenure of office as Managing Director, that is, from 1<sup>st</sup> August 2002 to 31<sup>st</sup> March 2006.

All the other terms and conditions of the appointment letter dated 22nd January 2001 remain unchanged and in full force and effect. The Directors commend the passing of the resolution set out at item No. 7 of the accompanying notice.

**Memorandum of interest**

Shri Milan M Mehta, Managing Director is concerned or interested in the resolution at this Item No 7 as also in the supplemental appointment letter referred to in the said item, as it relates to increase in his remuneration.

Shri Mahendra R Mehta, Chairman and Managing Director and Deepak M Mehta, Whole-time 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.

Save as aforesaid none of the other Directors is interested in the Resolution at item No. 7 of the accompanying Notice.

The appointment letter dated 22<sup>nd</sup> January 2001 and the supplemental appointment letter dated 22<sup>nd</sup> June 2002, referred to in the resolution at Item No 7 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 of the company except Saturday.

**Item No. 8**

Shri Mahendra R Mehta, who is about 73 years old has considerable experience of the Industry. The Remuneration Committee of the Board of Directors of the Company reviewed the remuneration package of the Working Directors of the Company with a view to align such package with the practice prevailing in the Corporate world and came to the conclusion that a proper revision was called for and accordingly subject to the approval of the members at a General Meeting, approved the increase in the salary of Shri Mahendra R. Mehta from Rs. 1,00,000/- (Rupees One Lakh only) per month to Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month, with effect from 1<sup>st</sup> September, 2002 for the residual period of his current tenure of office as Managing Director, that is, from 1<sup>st</sup> September, 2002 to 31<sup>st</sup> August, 2004.

All the other terms and conditions of the appointment letter dated 30<sup>th</sup> August 1999 remain unchanged and in full force and effect. The Directors commend the passing of the resolution set out at Item No.8 of the accompanying notice.

**Memorandum of Interest**

Shri Mahendra R. Mehta, Managing Director is concerned or interested in the resolution at this Item No.8 as also in the Supplemental Appointment letter referred to in the said item, as it relates to increase in his remuneration.

Shri Milan M. Mehta, Managing Director and Shri Deepak M. Mehta, Whole-time Director may be deemed to be concerned or interested in the above as they are relatives being sons of Shri Mahendra R. Mehta.

Save as aforesaid none of the other Directors is interested in the resolution at Item No.8 of the accompanying Notice.

The Appointment letter dated 30<sup>th</sup> August 1999 and the Supplemental Appointment letter dated 22<sup>nd</sup> June, 2002, referred to in the resolution at Item No.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 of the Company except Saturday.

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

22<sup>nd</sup> June 2002.



## DIRECTORS' REPORT

The Directors hereby present the 13<sup>th</sup> Annual Report of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March 2002.

### 1. Financial Results

	Rupees in Lakhs	
	2001-2002	2000-2001
Sales (including Excise Duty)	17141.58	17873.60
Less : Excise Duty	(2674.72)	(2678.85)
Sales (Net of Excise Duty)	14466.86	15194.75
Operating Profit	1663.12	1540.13
Add: Other Income	34.03	88.50
Profit before Interest, Depreciation & Taxes	1697.15	1628.63
Interest	(180.42)	(125.84)
Depreciation	(308.01)	(243.96)
Profit before Taxes	1208.72	1258.83
Provision for Income Tax	(272.00)	(300.00)
Provision for Deferred Tax	(97.30)	0.00
Prior Years' Tax Adjustments	2.54	3.33
Profit after Tax	841.96	962.16
Add: Balance brought forward from last account	95.74	108.79
Balance available :	937.70	1070.95
Which the Board of Directors have appropriated as under:		
(i) Proposed Dividend on Equity Shares for the year @ 17%	0.00	177.90
(ii) Interim Dividend on Equity Shares for the year @ 17%	177.89	0.00
(iii) Corporate Tax on Dividend	18.14	18.14
(iv) Transfer to General Reserve	627.29	779.17
	823.32	975.21
Balance to be carried forward in Profit & Loss Account	114.38	95.74

### 2. Dividend

The Directors had, at their meeting held on 24<sup>th</sup> January 2002, declared an Interim Dividend @ Rs. 1.70 per Equity Share for the year ended on 31<sup>st</sup> March, 2002. The Interim Dividend was paid on 20<sup>th</sup> February 2002. Keeping in view the interim dividend, the Directors decided not to recommend any final dividend. The interim dividend has been paid on 10463623 equity shares at Rs. 1.70 per share subject to tax (2000-01 : Final Dividend on 10463623 equity shares at Rs. 1.70 per share).

### 3. Operations

The comparative total production of Enamelled Copper Winding Wires during the year under review is higher by 8% to about 10218 MT (including jobwork) as against 9461 MT during 2000-2001.

Due to weaker international prices, Domestic Producers of Copper Rods (our principal raw material), reduced their rates from time to time. The comparative average cost of copper therefore is lower during the year under review and consequently comparative sales in value is lower. Import duty on copper remained high during the year. The pricing mechanism thereof changed by the domestic producers from known basis to unknown since the year 2000-2001, continues to present difficulties.

The demand from domestic Electrical Equipment Sector, which is principal consumer of your Company's products, improved during the last quarter of the year under review and the trend also continued during the first quarter of the current fiscal year.

Domestic and International competition further intensified and consequently there was pressure on margins during the year under review. Export possibilities are being continuously explored.

Reduction of 10% import duty on copper by the Government in the Union Budget for the year 02-03, is the right step forward in the direction of dismantling of Tariff distortions on raw materials. It is hoped that the Government will continue to reduce import duty further so as to provide level-playing-field to domestic Wire & Cable and Electrical Equipment manufacturing Industries. Government has also increased 5% import duty on our finished product though the imports from neighbouring countries at nil and / or at concessional rate of duty is allowed. However, Government has initiated some measures to fix quantitative ceiling on imports of Enamelled Copper Wires from Nepal.

Despite the above constraints the performance of your Company during the year under review is satisfactory.

### 4. Modernisation

Your Company continues to commit resources for modernisation in phases. Extent of modernization initiated during the year 1999-2000 has been implemented. Further order for plant & equipment have been placed and such equipment shall be operational during current fiscal year. In the mean time efforts are being made to optimise the utilisation of existing equipments.

At Palej Unit imported equipment have become operational during the year. Cost of energy being high at Palej, alternatives available are being examined.

### 5. New Products

Market Survey is under progress for the assessment and pattern of demand of some new products. Sources of Equipments required have been identified. Feasibility Report may be ready by December, 02.

### 6. Listing / Dematerialisation of the Company's Equity Shares

The Equity Shares of your Company continue to be listed at the Stock Exchange, Mumbai, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company has paid the required annual listing fees.

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 DIRECTORS' REPORT
 

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Upon the amalgamation of erstwhile Atlas Wires Ltd having become effective on 4<sup>th</sup> May 2001, as provided in the Scheme of Amalgamation, 6936123 equity shares of Rs 10 each credited as fully paid were issued to the members of erstwhile Atlas Wires Limited and simultaneously, the 1323900 fully paid equity shares of Rs 10 each held by erstwhile Atlas Wires Limited in the company were cancelled on 4<sup>th</sup> May 2001.

Application for listing of the above 6936123 equity shares issued to the members of erstwhile Atlas Wires Limited, the transferor company, was made immediately after the allotment on 4<sup>th</sup> May 2001 to all the Stock Exchanges where the existing shares are listed. Permission for trading in these shares was received from the Stock Exchange, Mumbai, the National Stock Exchange, the Delhi Stock Exchange Association and the Ahmedabad Stock Exchange after March 2002.

The Equity Shares of the Company are now 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 Pareil, Mumbai - 400 010, 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.

#### 7. Particulars of Employees

The particulars of employees required to be furnished under Section 217 (2A) of the Companies Act, 1956, are given in Annexure I hereto and form part of this report.

#### 8. 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.

#### 9. Auditors

The Auditors, M/s S.R.Divatia & Company, Chartered Accountants, Mumbai, who had been Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is proposed to reappoint them to examine and audit the accounts of the Company for the financial year 2002-03. Messers S. R. Divatia & Co, Chartered Accountants have under section 224(1B) of the Companies Act, 1956 furnished certificate of their eligibility for their reappointment.

#### 10. Corporate Governance:

As required by Clause 49 of the Listing Agreements with Stock Exchanges, a Corporate Governance Report 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.

#### 11. 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 have been followed and that there are no material departures;
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2002 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis

#### 12. Directors

The term of appointment of Whole time Director of the Company Shri Deepak M Mehta is due to expire on 31<sup>st</sup> July, 2002. Vide a resolution passed by the Board of Directors at its meeting held on 10<sup>th</sup> May 2002, the Board of Directors have re-appointed Shri Deepak M Mehta as Whole-time Director of the Company for a term of five years with effect from 1<sup>st</sup> of August, 2002 pursuant to the provision of the sections 269, 309 and other applicable provisions, if any of the Companies Act, 1956 and subject to approval of the Company in General Meeting and subject to such other sanctions and approvals as may be necessary in law and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Act. A Special Resolution for the approval of the members to the above re-appointment of Shri Deepak M Mehta Whole Time Director of the Company is proposed at the ensuing Annual General Meeting to be held on 28<sup>th</sup> September, 2002.

Subject to the approval of the Company in General Meeting under section 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary or required under Law, the Board of Directors has at its meeting held on 22<sup>nd</sup> June, 2002 increased the salary of Mr. Milan M. Mehta, Managing Director with effect from 1<sup>st</sup> August 2002. Necessary Resolution will be proposed at the ensuing Annual General Meeting of the Company to be held on 28<sup>th</sup> September 2002.

Subject to the approval of the Company in General Meeting under section 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary or required under Law, the Board of Directors has at its meeting held on 22<sup>nd</sup> June, 2002 increased the salary of Mr. Mahendra R. Mehta, Managing Director with effect from 1<sup>st</sup> September 2002. Necessary Resolution will be proposed at the ensuing Annual General Meeting of the Company to be held on 28<sup>th</sup> September 2002.