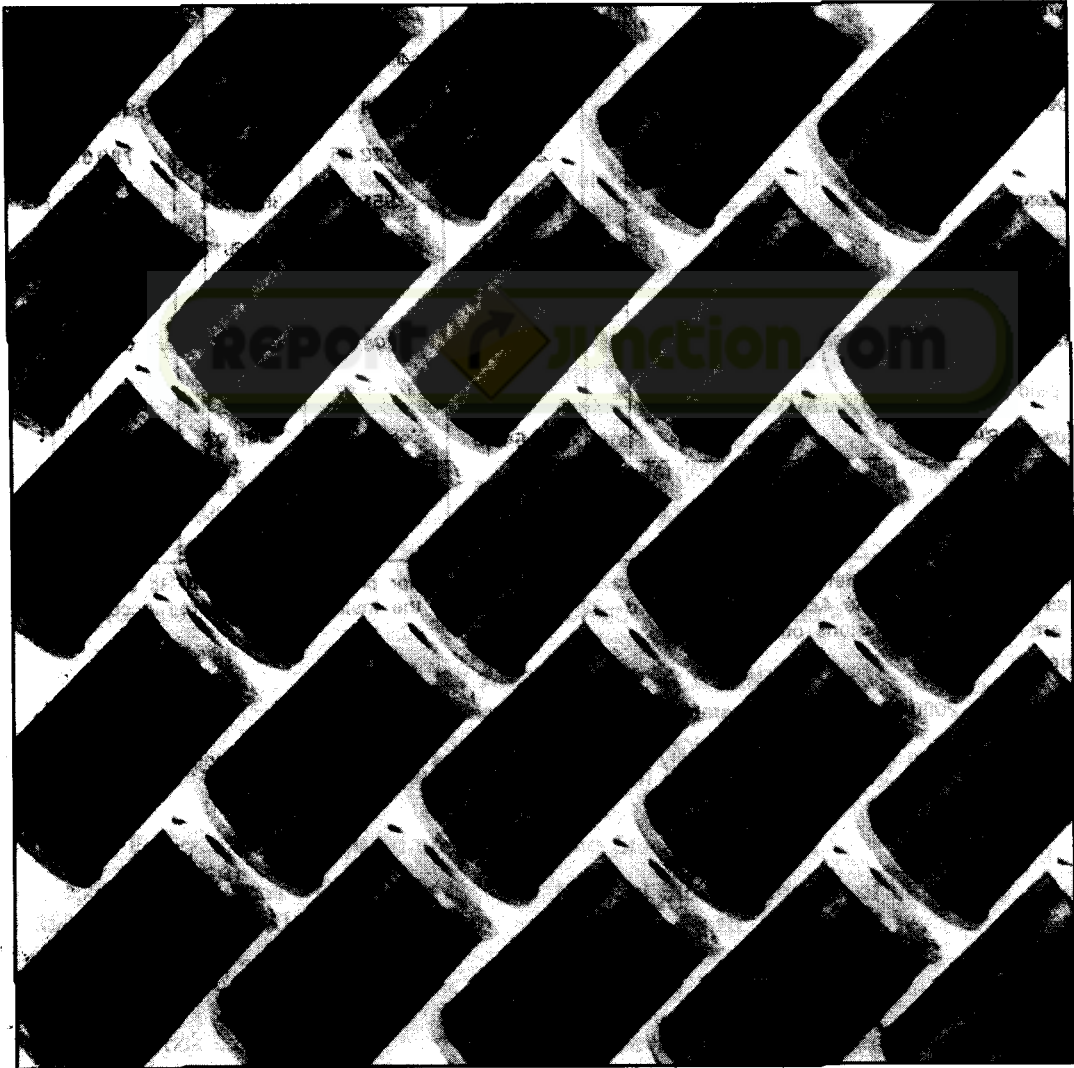


17th

Annual Report
2005-2006



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

Financial Highlights

	2005/06	2004/05	2003/04	2002/03	2001/02
Equity Share Capital (Paid up)	1046.36	1046.36	1046.36	1046.36	1046.36
Reserves & Surplus	8734.27	7347.02	6336.41	5416.43	4651.37
Provision for Deferred Tax for the year - Liability/(Assets)	184.70	55.63	(7.63)	110.76	97.30
Current Assets	14921.13	10980.90	7855.33	6663.48	6037.27
Current Liabilities	10854.76	6595.64	4338.43	3658.54	3182.86
Inventories	3375.98	2026.87	1829.82	1742.37	1258.21
Sundry Debtors	7993.86	5855.99	4554.57	3408.22	3335.15
Creditors	10410.63	6341.06	4,108.51	3339.01	3154.69
Secured Loans	3554.44	1144.08	810.00	645.15	815.41
Interest Paid	150.91	91.10	63.25	89.10	180.42
Depreciation	463.70	460.51	367.26	326.97	308.01
Income Tax	634.45	676.03	484.29	465.54	269.46
Dividend paid	% 35	34	30	25	17
Book Value of Shares	Rs. 93.44	80.08	70.32	61.43	54.01
E.P.S.	Rs. 17.25	14.64	12.18	10.13	8.05
No. of Shareholders	**7825	**8857	** 9889	**11041	**11338

** Approximate



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

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

* Independent & Non-Executive Directors.

COMPANY SECRETARY : Mr. Sanjaya R. Kunder

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

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

REGISTERED OFFICE :

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

ADMINISTRATIVE OFFICE AND WORKS :

UNIT I:

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

UNIT II: ATLAS WIRES

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

UNIT III :

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

PALEJ UNIT: ATLAS WIRES

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

REGISTRAR AND TRANSFER AGENTS:

Sharepro Services (India) Private Limited
Satam Estate 3rd floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai 400 099. Tel No. 022-28215168/28329828 Fax No. 022-28375646
Email Id : sharepro@vsnl.com, sharepro@shareproservices.com

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

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

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



NOTICE TO MEMBERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Precision Wires India Limited will be held at, the Hall of The Mysore Association, 1st Floor 393, Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai-400 019 on Thursday, 31st August, 2006 at 10.30 A.M to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To declare a Final 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 Ashwin P. Kothari who retires by rotation and is eligible for reappointment.

- 5) To appoint S R Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

By order of the Board

Sanjaya R. Kunder
Company Secretary

Registered Office:

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

Mumbai,
24th June 2006.

Notes :-

- 1) Relevant details in respect of Item Nos. 3 and 4 pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 26th August, 2006 to 31st August, 2006 (both days inclusive).
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Satam Estate, 3rd floor, above Bank of Baroda, Cardinal Gracious Road, Andheri (East), Mumbai-400 099, the Registrar and Share Transfer Agents of the Company.
- 5) The Final Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 10th September, 2006.
- 6) Members are requested to note that Dividends not encashed or remaining unclaimed within a period of seven years from the date of transfer to the Company's Un Paid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended 31.03.1996, 31.03.1997 and 31.03.1998 have been transferred to IEPF of the Central Government.

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

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	*Proposed date for transfer to IEP fund
31.03.1999	23-07-99	22-07-06	21-08-06
31.03.2000	04-04-00 (Interim)	03-04-07	03-05-07
	23-09-00	22-09-07	22-10-07
31.03.2001	26-09-01	25-09-08	25-10-08
31.03.2002	24-01-02 (Interim)	23-01-09	22-02-09
31.03.2003	22-09-03	21-09-10	21-10-10
31.03.2004	23.01.04 (Interim)	22.01.11	22.02.11
	19.08.04	18.08.11	18.09.11
31.03.2005	27.01.05 (Interim)	26.01.12	26.02.12
	28.07.05	27.07.12	27.08.12

* Indicative dates, actual dates may vary.

Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 1999 or any subsequent financial years are requested to send their claims to the Company's Registered Office immediately. It may also be noted that once unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

- 7) Members are requested to notify immediately any change of address to their Depository Participant (DPs) in respect of the electronic shares account and to the Registrars and Share Transfer Agent of the Company in respect of physical share accounts.
- 8) Members are requested to carry their Printed Annual Report at the time of attending the Meeting.



NOTICE TO MEMBERS

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

NAME OF THE DIRECTOR	Shri Deepak M. Mehta	Shri Ashwin P. Kothari
DATE OF BIRTH & AGE	20 th September, 1956, Age : 49 Years	14 th September, 1942 AGE: 63 Years
DATE OF APPOINTMENT	Since incorporation	Appointed as Additional Director on 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting.
EXPERTISE IN SPECIFIC FUNCTION	Over 25 years' of rich experience in the Industry	Expertise in Ferrous and Non Ferrous Metal & Chemical Industries.
QUALIFICATIONS	B.Com.	S.B.(MIT)
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31ST MARCH 2006	Galvawire Agencies Pvt. Ltd	a) Aroni Chemical Industries Ltd. b) Four Dimensions Securities (India) Ltd. c) Gwalior Chemical Industries Ltd. d) Five Star Trading & Investment Co. Ltd. e) Rajshree Holdings Ltd. f) Parke Avenue Engineering Ltd. g) Meenakshi Steel Industries Ltd. h) Jatayu Textiles & Industries Ltd. i) Sunayana Traders & Investment Co. Ltd j) Essel Mining & Industries Ltd. k) Aditya Birla Health Services Ltd. l) Sambhav Finance & Trading Co. Ltd.
CHAIRMAN AND MEMBER OF THE COMMITTEE OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31ST MARCH 2006	Member of Share Transfer & Shareholders Grievance Committee of the Company	Chairman of Shareholders Grievance Committee and Member of Audit Committee of Aroni Chemical Industries Ltd
Shareholding	3,82,160	NIL

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Seventeenth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2006.

1. Financial Results

	(Rupees In Lacs)	
	2005-06	2004-05
Sales (including Excise Duty)	39658.41	32190.34
Less : Excise Duty	(5743.53)	(4523.38)
Sales (Net of Excise Duty)	33914.88	27666.96
Operating Profit	3223.74	2746.92
Add: Other Income	91.26	68.54
Profit before Interest, Depreciation & Taxes	3315.00	2815.46
Interest	(150.91)	(91.09)
Depreciation	(463.70)	(460.51)
Profit before Taxes & Extra-ordinary Items	2700.39	2263.86
Extra-ordinary Items	(76.40)	0.00
Profit before Taxes	2623.99	2263.86
Provision for Income Tax	(636.00)	(667.00)
Provision for Wealth Tax	(0.38)	(0.17)
Provision for Deferred Tax	(184.70)	(55.64)
Provision for Fringe Benefit Tax	(8.73)	0.00
Prior Years' Tax Adjustments	10.67	(9.03)
Profit after Tax	1804.85	1532.02
Add: Balance brought forward from last Account	160.03	174.42
Balance available : (A)	1964.88	1706.44
Which the Board of Directors have appropriated as under:		
(i) Interim Dividend on Equity Shares for the year NIL (@15%	0.00	156.95
(ii) Proposed Final Dividend on Equity Shares for the year 35% (17%)	366.23	198.81
(iii) Corporate Tax on Interim Dividend	0.00	20.51
(iv) Corporate Tax on Final Dividend	51.36	27.88
(v) Transfer to General Reserve	1200.00	1142.26
(B)	1617.59	1546.41
Balance carried forwarded to Profit & Loss Account (A) - (B)	347.29	160.03

2. Dividend

The Directors are pleased to recommend Final Dividend at 35% for the year ended 31st March 2006, subject to the approval of Shareholders at the ensuing A.G.M.

3. Operations

Your Company has, during the year under review, vigorously deployed resources for modernization, capacity expansion & diversification at Silvassa Units. Civil Work has been completed. Major Imported Equipments for on-going Projects have been received and some of them have been installed, erected & commissioned. The installed capacity has been added by 35%. During Q3 of the current fiscal some more imported Plants are likely to go on stream.

Out of Rs. 4160 Lacs Capex incurred, about Rs. 2075 Lacs is out of internal accruals and the balance is Term Loan Borrowing from a Bank/Suppliers Credit. The Capital Work-in-Progress, Rs. 1065 Lacs, as at 31.03.2006 are already under commissioning. The Company has further committed resources for diversification and the equipments are likely to be received before October end 2006. Majority of the investment so far made during the last 2 years is aimed at catering to the needs of Electric-Power-Sector and improve value-addition & exports.

Production of Fine Wires has commenced during Q4 of year under review. We hope to add to the further capacity in this Division during 07-08.

An Agreement for Technology Transfer for manufacture of Continuously Transposed Conductors (CTC), Enamelled Rectangular Strips and other Lapped / Covered Conductors with M/s. Invex SpA, Italy, one of the largest producers in the world in this field, has been entered into. We hope to commence the production of CTC and Enamelled Rectangular Strips / Conductors during current fiscal.

The total production of finished goods during the year under review is about 15342 MT (13771 MT), an increase of about 11.40%. Sales Income (net of taxes) is Rs. 339.14 Cr (Rs. 276.66 Cr), about 22% higher which is partially due to increase in the production and also the cost of our Principal Input, Copper. The Average Price of Copper was about 23% or so more as compared to the Previous Year. The International Price of Copper continues to be high and volatile.

Thrust on export has been maintained during the year. The demand from Domestic Electrical Equipment Industry for our product was good; though as expected, value-addition is under pressure due to intense domestic and foreign competition. The Domestic Electrical Equipment Manufacturing Industry, which is the Principal Consumer of our Finished Products has adequate technological competence, manpower resources and capacity. It's growth is likely to sustain for quite some time.

Copper is one of the important and principal input of Electrical Equipment Manufacturing Industry and Electrical-Power-Sector and as utmost priority has been accorded by the Govt to the same, Import Duty has been reduced during the year under review from 10% to 7.5% and it is hoped that the same may be reduced further to 5%.

On our finished product, being an Industrial Input, VAT (Value Added Tax) at 4% prevails in some important States in the country and other remaining States may rationalize the same.

Despite the rise in the Cost of Energy, Freight, Electric Power and some Inputs, the performance of your Company during the year under review is very satisfactory.



D I R E C T O R S ' R E P O R T

The contribution of our Palej Unit during the year under review is less than 9% of the total production of the Company and active actions are being contemplated.

4. Preferential Issue and Allotment of 1100000 (Eleven Lac) Unsecured Fully Convertible Debentures (FCDs)

Pursuant to the Resolution passed by the Members at an EGM held on 22nd May 2006, the Company has allotted 10 Lac and 1 Lac 13% FCDs to Reliance Capital Trustee Company Limited A/c Reliance Tax Saver (ELSS) Fund and Pradeep Sandeep Trading & Investment Pvt. Ltd respectively at Rs. 177.15 per Debenture aggregating to Rs. 19,48,65,000/-. Such FCDs issued shall be compulsorily fully convertible into one Equity Share of the Company of the Face Value of Rs. 10/- each at a Premium of Rs.167.15 per Equity Share within 365 days from the date of allotment. After allotment of Equity Shares against the above FCDs, the Paid-Up Capital of the Company will stand enhanced to 1,15,63,623 number of Fully Paid-Up Equity Shares of face value of Rs. 10/- each. Such FCDs are non-transferable with a lock-in period of one year from the date of allotment. The funds so raised, have been utilized as Working Capital.

5. 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 and as the same are generally traded on BSE and NSE.

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

6. Particulars of Employees:

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

7. Disclosure of particulars in the Directors' Report:

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

8. Auditors

The Auditors, M/s S.R. Divatia & Company, Chartered Accountants, Mumbai, who had been Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. Subject to the approval of the Members it is proposed to re-appoint them for the Financial Year 2006-07. The

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

9. Corporate Governance:

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

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

10 Directors' Responsibility Statement

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

- 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 31st March, 2006 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.

11. Directors

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

12. Acknowledgements

The Directors wish to place on record their deep appreciation of the continued assistance and co-operation from Bank of Baroda, BNP Paribas, the Administration of Union Territory of Dadra and Nagar Haveli, Palej Gram Panchayat, 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 24th June, 2006.

DIRECTORS' REPORT

ANNEXURE I TO DIRECTORS' REPORT

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2006.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	77	—	Chairman & Managing Director	June 1975	54	58,78,875 #	Chairman & M.D Of Erstwhile Atlas Wires Ltd.
Shri Deepak M. Mehta	49	B.Com	Whole-time Director	January 1989	26	61,64,800	Whole-time Director Of Erstwhile Atlas Wires Ltd.
Shri Milan M. Mehta	43	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	21	61,39,236 #	Technical Director, Erstwhile Atlas Wires Ltd.

Notes:

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

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

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

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

- | | |
|---|--|
| 1. Special areas in which R & D carried out by the Company. | Close dimensional tolerance of Conductors. |
| 2. Benefits derived as a result of the above R & D | Better quality. |
| 3. Future plan of action | Reduction of Waste & Scrap generated during process. |
| 4. Expenditure on R & D | Nil |

Technology Absorption, Adaptation and Innovation:

- | | |
|---|----------------------------------|
| 1. Efforts, in brief, made towards technology absorption and innovation | Earlier Technology absorbed. |
| 2. Benefits derived as a result of the above efforts | Product and Quality Improvement |
| 3. Information about imported Technology | Technology Transfer in progress. |

3. Foreign Exchange Earnings and Outgo:

Earnings	Rs. 88.34 (Rs. 52.28) Lacs
Outgoings	Rs. 2809.38 (Rs. 1153.82) Lacs

Declaration on Compliance of the Company's Code of Conduct

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

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

Mumbai,
Dated 24.06.2006

Mahendra R. Mehta
Chairman & CEO.

CORPORATE GOVERNANCE REPORT FOR THE YEAR
1st April 2005 to 31st March 2006

(ANNEXURE III TO THE DIRECTORS' REPORT)

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

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

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

2. Board of Directors:

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

Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meetings of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R Mehta	Chairman and Managing Director	Promoter, Executive	—	—	6	6	Yes
Shri Milan M Mehta	Vice-Chairman and Managing Director	Promoter, Executive	1	—	6	6	Yes
Shri Deepak M Mehta	Whole-time Director	Promoter, Executive	—	—	6	6	Yes
Shri Vijay M Crishna	Director	Non-Executive, Independent	7	1	6	2	No
Shri P N Vencatesan	Director	Non-Executive, Independent	3	3	6	5	Yes
Shri P R Merchant	Director	Non-Executive, Independent	2	5	6	6	Yes
Shri A P Kothari	Director	Non-Executive, Independent	12	2	6	5	No

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

During the year

- 6 Meetings of the Board of Directors (BoDs) were held, on 13.05.2005, 10.06.2005, 28.07.2005, 29.08.2005, 26.10.2005 & 27.01.2006 and the gap between two meetings did not exceed four months.
- Annual General Meeting (AGM) of the company was held on 28th July, 2005.

3. Audit Committee:

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

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

Brief Description of Terms of Reference are as under:

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) To fix audit fees of the internal auditors and to approve payment for any other services.
- c) To meet Statutory Auditors and Internal Auditors, discuss their findings and related matters and to review with the Management the Quarterly Financial Results and also Annual Accounts before same are submitted to the Board for its consideration.
- d) To look into the various aspects envisaged by relevant SEBI guidelines & Listing Agreements (as amended) in this regard.

During the year

6 Meetings of the Audit Committee of the Board of Directors were held, on 13.05.2005, 10.06.2005, 28.07.2005, 29.08.2005, 26.10.2005, 27.01.2006.

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

Shri P.N.Vencatesan and Shri P R Merchant, the Chairman and the Member of the Audit Committee respectively, were present at the Annual General Meeting held on 28th July,2005.

4. Remuneration Committee:

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

The terms of reference of the Remuneration Committee include to determine Company's policy on specific remuneration packages for Executive Directors, including pension rights and compensation payment, after taking into account the financial position of the Company, trends in the industry,

appointee's qualifications, experience, past performance, past remuneration etc., and considering interest of the company and shareholders.

During the year, two meetings were held on 29th August, 2005 and 27th January, 2006

Details of meetings attended by the Members are given below:

Name of the Members	Category	Remuneration Committee Meeting	
		Held	Attended
Shri P N Vencatesan, Chairman (Chartered Accountant)	Independent, Non-Executive	2	1
Shri P R Merchant, (Retired Senior Banker)	Independent, Non-Executive	2	2
Shri A P Kothari, (Technocrat-Entrepreneur)	Independent, Non-Executive	2	1

Shri P.N.Vencatesan, Chairman and Shri P.R.Merchant, Member were also present at the Annual General Meeting held on 28th July, 2005.

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

Details of remuneration to all the Directors are as under:

Name of Director	Gross Remuneration to Executive Directors							Remuneration to Non-Executive Directors
	Service Contract	Notice Period	Salary Rs.	Commission as per section 198 of Company's Act Rs.	Perquisites (Excluding Contribution to PF & Provision for Gratuity) Rs.	Contribution to PF & Provision for Gratuity Rs.	Total Rs.	Sitting Fees for attending Board & Committee meetings Rs.
Shri Mahendra R Mehta	5 Years w.e.f. 01.10.2003	90 days	2400000	2789938	400937	*403385	5994260	Nil
Shri Milan M Mehta	5 years w.e.f. 01.04.2001 (Re-appointed w.e.f. 01.04.2006 for 3 Years)	90 days	2400000	2789938	661298	**403385	6254621	Nil
Shri Deepak M Mehta	5 years w.e.f. 01.08.2002	90 days	2400000	2789938	686862	288000	6164800	Nil
Shri Vijay M Crishna								20,000
Shri P N Vencatesan								108,000
Shri P R Merchant								112,000
Shri A P Kothari								90,000

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

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

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

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

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

Number of complaints received from the Investor 11
From 01.04.2005 to 31.03.2006 comprising non receipt of Dividend warrants and non receipt of Shares sent for transfer etc.

Number not solved to the satisfaction of the Investors as on 31.03.2006 Nil

Number of pending transfer of shares 12*
as on 31.03.2006

*Transfers lodged during March 2006. Approved and effected during April 2006.

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

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