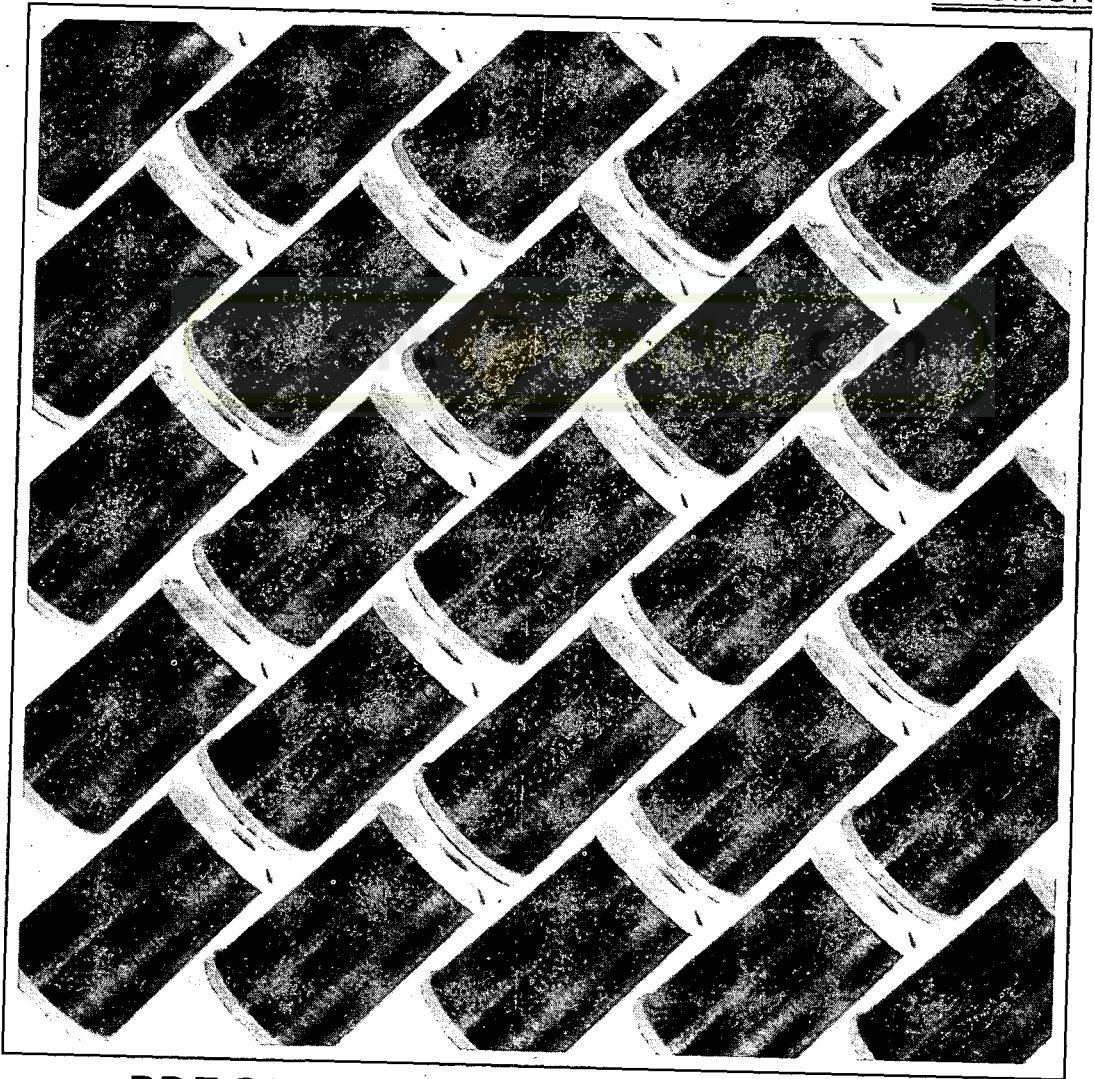


20th

Annual Report  
2008-2009



PRECISION WIRES INDIA LIMITED

## PRECISION WIRES INDIA LIMITED



## Financial Highlights

Rupees in

	2008/09	2007/08	2006/07	2005/06	2004/05	
Equity Share Capital (Paid up)	1156.36	1156.36	1046.36	1046.36	1046.36	
Reserves & Surplus	13023.26	13015.32	9938.94	8734.27	7347.02	
Provision for Deferred Tax for the year - Expense/(Income)	74.63	200.97	324.38	184.70	55.63	
Current Assets	16263.92	22037.92	19180.25	14921.13	10980.90	
Current Liabilities	7704.37	11868.96	11108.52	10854.76	6595.64	
Inventories	4247.26	5430.45	3598.28	3375.98	2026.87	
Sundry Debtors	7865.63	11546.42	11121.88	7993.86	5855.99	
Creditors	6938.09	11352.26	10606.99	10410.63	6341.06	
Secured Loans	6024.97	7338.04	6086.19	3554.44	1144.08	
Interest Paid	398.42	463.19	525.56	150.91	91.10	
Depreciation	1032.22	900.25	751.30	463.70	460.51	
Income Tax	15.60	722.23	543.14	634.45	676.03	
Dividend paid	Rs. Per Equity Share	0.80*	3.6	3.5	3.4	
Book Value of Shares	Rs.	122.62	122.55	104.99	93.44	80.08
E.P.S.	Rs.	1.00	15.16	16.04	17.25	14.64
No. of Shareholders		7951	7884	7259	7825	8857

\* Proposed



PRECISION

## 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. S. G. Sathe

**BANKERS** : Bank of Baroda, Palej-392 220, Dist. Bharuch, Gujarat  
BNP Paribas, Fort, Mumbai

**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, Amlı Hanuman (66KVA) Road,  
Silvassa - 396 230.  
(Union Territory of Dadra & Nagar Havelı)

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

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

### REGISTRARS AND TRANSFER AGENTS :

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

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

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

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

## NOTICE TO MEMBERS

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of Precision Wires India Limited will be held on 19<sup>th</sup> September, 2009 at 2.30 pm at the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai - 400 019, to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare a dividend on equity shares.
- 3) To appoint a Director in place of Shri P. N. Vencatesan who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Pratapbhai R. Merchant who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 5) To appoint S. R. Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

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

**"RESOLVED THAT** M/s. S. R. Divatia & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, and Service Tax, thereon, as may be fixed by the Board of Directors of the Company in addition to reimbursement of the travel and other out of pocket expenses incurred by them."

**Special Business:**

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 or any statutory amendment or modifications thereto and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves the re-appointment of Shri Milan M. Mehta as Vice Chairman and Managing Director of the Company for a period of Three years with effect from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 28.01.2009, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 28.01.2009 is hereby specifically approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri 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 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 Milan 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 Milan M. Mehta as Vice Chairman & Managing Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company computed under Section 198 of the Companies Act, 1956 and if the company has more than one managerial personnel, ten percent of such net profits for all such managerial personnel of the Company together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove if in any financial year of the company during the currency of tenure of Shri Milan M. Mehta as Vice Chairman & 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 may take such steps considered necessary, expedient or desirable in the best interest of the Company, for the purpose of giving effect to this Resolution.

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 and subject to such sanctions and approvals as may be necessary or required under law and as approved by a Resolution of the Remuneration Committee of the Company at its meeting held on 27<sup>th</sup> January, 2006 and in accordance with the letter of appointment issued to Shri Milan M. Mehta by the Company on 28<sup>th</sup> January, 2006 and as approved by a Special Resolution passed at the Extraordinary General Meeting of the Company held on 22<sup>nd</sup> May, 2006, the Company hereby approves the payment of Minimum Remuneration in accordance with Schedule XIII to the Companies Act, 1956 and as set out in detail in the Explanatory Statement under Section 173 of the Companies Act, 1956 annexed to this notice, to Shri Milan M. Mehta, Vice Chairman and Managing Director of the Company, for the year 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009, and further approves the payment of contribution for the same period by the Company to provident fund on account of Shri Milan M. Mehta, which amount does not form a part of the Minimum Remuneration as provided in the said Schedule.



## NOTICE TO MEMBERS

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956 and subject to such sanctions and approvals as may be necessary in law and as approved by a Resolution of the Remuneration Committee of the Company at its meeting held on 11<sup>th</sup> June, 2007 and in accordance with the letter of appointment issued to Shri Deepak M. Mehta by the Company on 12<sup>th</sup> June, 2007 and in accordance with a Special Resolution passed at the Meeting of the Company held on 26<sup>th</sup> September, 2007, the Company hereby approves the payment of Minimum Remuneration in accordance with Schedule XIII to the Companies Act, 1956 and as set out in detail in the Explanatory Statement under Section 173 of the Companies Act, 1956 annexed to this notice, to Shri Deepak M. Mehta, Whole-time Director of the Company, for the period from 1<sup>st</sup> April, 2008 up to the remainder of his term as Whole-time Director and further approves the payment of contribution by the Company for the said period to provident fund on account of Shri Deepak M. Mehta, which does not form a part of the Minimum Remuneration as provided in the said Schedule.

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956 and subject to such sanctions and approvals as may be necessary in law

and as approved by Resolutions of the Remuneration Committee of the Company at its meetings held on 28<sup>th</sup> June, 2003 and on 28<sup>th</sup> April, 2008 and in accordance with the letter of appointments issued to Shri Mahendra R. Mehta by the Company on 22<sup>nd</sup> September, 2003 & on 28<sup>th</sup> April, 2008 and as approved by Special Resolutions passed at the Annual General Meetings of the Company held on 22<sup>nd</sup> September, 2003 and on 27<sup>th</sup> September, 2008, which relate to the appointment for the period from 1<sup>st</sup> October, 2003 to 30<sup>th</sup> September, 2008 and 1<sup>st</sup> October, 2008 to 30<sup>th</sup> September, 2011, respectively, the Company hereby approves the payment of Minimum Remuneration in accordance with Schedule XIII to the Companies Act, 1956 and as set out in detail in the Explanatory Statement under Section 173 of the Companies Act, 1956 annexed to this notice, to Shri Mahendra R. Mehta, Chairman and Managing Director of the Company, for the year 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 and for the remainder of his term as Chairman and Managing Director and further approves the payment of contribution by the Company for the said period to the provident fund on account of Shri Mahendra R. Mehta, which does not form a part of the Minimum Remuneration as provided in the said Schedule.

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  
29<sup>th</sup> June, 2009

## Notes :-

- 1) Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 to 9 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 12<sup>th</sup> September, 2009 to 19<sup>th</sup> September, 2009 (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., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No.13AB, 2nd Floor, Sakinaka, Mumbai - 400 072, the Registrar and Share Transfer Agents of the Company.
- 5) The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid to those share holders whose names stand on the Register of Members as on 19<sup>th</sup> September, 2009.
- 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 Unpaid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund (IEPF) established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended up to 31.03.2002 have been transferred to IEPF of the Central Government. Dividend for financial year ended 31.3.2003 declared on 22.9.2003 is due for such transfer to IEPF on or about 21.10.2010.
- 7) Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2003 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.
- 8) Members are requested to carry their Printed Annual Report at the time of attending the Meeting.



## NOTICE TO MEMBERS

- 9) Brief note on the background and functional experience of Independent Directors proposed to be reappointed at the ensuing Annual General Meeting as per Item Nos. 3 & 4 of this Notice, pursuant to Clause 49 of the Listing Agreement are as under:

NAME OF THE DIRECTOR	Shri. P. N. Vencatesan	Shri Pratap R Merchant
DATE OF BIRTH & AGE	18 <sup>th</sup> August, 1926 Age : 83 Years	2 <sup>nd</sup> March, 1935 Age : 74 Years
DATE OF APPOINTMENT	Appointed as Additional Director on 11.09.1991 and as Director at the Annual General Meeting held on 25.09.1992 and thereafter re-appointed after retirement by rotation from time to time, the last such re-appointment being at the AGM held on 26.09.2007	Appointed as Additional Director on 28.10.1998 and as Director at the Annual General Meeting held on 23.07.1999 and thereafter re-appointed after retirement by rotation from time to time, the last such re-appointment being at the AGM held on 26.09.2007.
EXPERTISE IN SPECIFIC FUNCTION	Renowned Management Consultant	Ex-Banker and has rich experience in Banking & Finance Sectors
QUALIFICATIONS	Chartered Accountant	B.Com., CAIIB-I
LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD AS ON 31 <sup>ST</sup> MARCH, 2009	Mahindra Composites Ltd.	a) Setco Automotive Ltd. b) KJMC Asset Management Co. Ltd. c) Gwalior Chemical 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, 2009	Chairman of Audit Committee and Member of Investor Service Committee of Mahindra Composites Ltd.	a) Chairman of Audit Committee and Member of Remuneration Committee of Setco Automotive Ltd. b) Chairman of Audit Committee and Member of Remuneration Committee of KJMC Asset Management Co. Ltd. c) Member of Audit Committee and Member of Remuneration Committee of Gwalior Chemical Industries Ltd.
Shareholding in the Company	NIL	1000

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

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



## NOTICE TO MEMBERS

## Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (The Act).

## Item No. 6

**Re-Appointment of Shri Milan M. Mehta, Vice Chairman & Managing Director.**

The resolution at Item no.6 of the Notice seeks approval of the Members in respect of the re-appointment and payment of remuneration to Shri Milan M. Mehta as Vice Chairman & Managing Director of the Company. The present Term of Office of Shri. Milan M. Mehta as Vice Chairman & Managing Director has expired on 31st March, 2009. The Board of Directors of the Company at its Meeting held on 28th January, 2009 has subject to the approval of the Members of the Company in General Meeting and any other approvals as may be necessary, re-appointed Shri Milan M. Mehta, vide letter of appointment dated 28.01.2009, as Vice Chairman & Managing Director for a further period of Three Years with effect from 01.04.2009 to 31.3.2012.

The Principal Terms and conditions as contained in the said Letter of Appointment dated 28.01.2009 are as under :

**Salary :**

Rs. 4,00,000/- (Rupees Four Lacs) per month,

**Period :**

For 3 Years with effect from 01.04.2009.

**Commission :**

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

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

**Perquisites :**

1. **Housing:**  
Rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Vice Chairman & Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. **Medical Re-imbursment:**  
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 of in any year, the same shall be allowed to be accumulated subject to a maximum of three years.
5. **Fees of clubs** subject to a maximum of two clubs.
6. **Personal accident insurance** subject to a maximum premium of Rs 10,000/- per annum.
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 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 and
- c) **Encashment of leave** at the end of the tenure

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

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

**Other terms**

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

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

- (i) Remuneration Committee of the Board has approved the terms of remuneration payable to Shri Milan M. Mehta, as mentioned hereinabove at its meeting held on 28th January, 2009, which is in accordance with the provisions of Schedule XIII to the Companies Act, 1956.
- (ii) The company has not made any default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Shri Milan M Mehta.
- (iii) General Information about the Company, the information about the Appointee Shri Milan M Mehta, Other Information and Disclosures as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956 are given below along with explanatory statement for Item No. 7, 8 & 9:

## NOTICE TO MEMBERS

## Item No. 7, 8 &amp; 9:

Minimum Remuneration paid / payable to Shri Milan M Mehta, Vice Chairman and Managing Director, to Shri Deepak M Mehta, Whole-time Director and to Shri Mahendra R Mehta, Chairman and Managing Director :

Name and Designation of Directors	Shri Milan M Mehta, Vice Chairman and Managing Director	Shri Deepak M Mehta, Whole-time Director	Shri Mahendra R Mehta, Chairman and Managing Director
Minimum Remuneration paid / payable for the period ..	1-4-2008 to 31-3-2009	1.4.2008 to 31.7.2010	1.4.2008 to 30.9.2011
Period of Appointment	1.4.2006 to 31.3.2009	1.8.2007 to 31.7.2010	1.10.2003 to 30.9.2008 AND 1.10.2008 to 30.9.2011
Date of Approval of appointment and Terms by Remuneration Committee of the Company & Board of Directors	27 <sup>th</sup> January, 2006	11 <sup>th</sup> June, 2007	28 <sup>th</sup> June, 2003 AND 28 <sup>th</sup> April, 2008
Date of Letter of Appointment issued by the Company to the Director	28.01.2006	12.06. 2007	22.09. 2003 AND 28. 04.2008
Date of Approval of appointment and Terms by Shareholders of the Company in a Meeting by a Special Resolution.	Extra-ordinary General Meeting held on 22 <sup>nd</sup> May, 2006.	Annual General Meeting held on 26 <sup>th</sup> September, 2007.	Annual General Meetings held on 22.9.2003 and on 27.9.2008.
Minimum Remuneration is paid / payable for 1.4.2008 to 31.3.2009			
Salary paid	Rs. 36,00,000/-	24,00,000/-	25,50,000/-
Perquisites Paid	Rs. 5,76,895/-	7,24,158/-	9,46,175/-
Commission Payable	Rs. 3,40,956/-	3,40,956/-	3,40,956/-
Total	Rs. 45,17,851/-	34,65,114/-	38,37,131/-
Eligible Limit of Minimum Remuneration as per paragraph [B] of Section II of Part II of Schedule XIII to the Companies Act, 1956	Rs. 48,00,000/-	Rs. 48,00,000/-	Rs. 42,00,000/-
Company's contribution to Provident Fund etc, not forming part of Minimum Remuneration	Rs. 4,38,000/-	Rs. 2,88,000/-	Rs. 3,06,000/-
A) Date of Effective Capital	31.3.2006	31.3.2007	31.3.2003*
B) Amount of Effective Capital	Rupees	Rupees	Rupees
i. Paid up Share Capital	10,46,36,230/-	10,46,36,230/-	10,46,36,230/-
ii. Reserves and Surplus	87,34,27,388/-	99,38,93,571/-	54,16,43,281/-
iii. 13% Unsecured Fully convertible Debentures	Nil	19,48,65,000/-	Nil
iv. Long Term Loans	23,78,23,839/-	36,89,86,364/-	109,84,302/-
v. Less: Investments excluding Short term investment for Treasury Management	(16,11,110/-)	(16,10,110/-)	(14,25,976/-)
vi. Less : Miscellaneous Expenditure not written off	(3,52,306/-)	Nil	(35,45,438/-)
Total Effective Capital	1,21,39,24,041/-	1,66,07,71,055/-	65,22,92,399/-
Date of Effective Capital being 31.3.2008 applicable in case of Shri Mahendra R Mehta is ignored as the Effective Capital on that date is greater than as on 31.3.2003, the date considered above			





## NOTICE TO MEMBERS

As per the above sanctions the remuneration payable to Shri Milan M. Mehta -Vice Chairman and Managing Director, Shri Deepak M Mehta - Whole-time Director and Shri Mahendra R Mehta - Chairman and Managing Director (Collectively referred to as "the Managerial Personnel") by way of salary, perquisites, commission and other allowances shall not exceed ten percent of net profits of the Company computed under Section 198 of the Companies Act, 1956 in that financial year, for the Managerial Personnel.

The above sanctions further provide that if in any financial year of the company during the currency of tenure of the Managerial Personnel, 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.

The remuneration paid/payable to the Managerial Personnel by way of salary, perquisites, commission and other allowances for the year 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 exceeds Ten percent of the net profits of the company computed under Section 198 of the Companies Act, 1956.

However, the Remuneration paid / payable to Shri Milan M. Mehta - Vice Chairman and Managing Director, Shri Deepak M Mehta - Whole-time Director is within the limits of and conditions prescribed for payment of Minimum Remuneration as per paragraph [B] of Section II of Part II of Schedule XIII to the Companies Act, 1956. The Remuneration paid / payable to Shri Mahendra R. Mehta - Chairman and Managing Director is within the limits of Minimum Remuneration, but his appointment for period ending 30<sup>th</sup> September, 2008 was for a period of Five Years, which is not according to conditions prescribed for payment of Minimum Remuneration as above. The Company, therefore, proposes to make an application to the Central Government for approval of the Minimum Remuneration paid / payable to Shri Mahendra R. Mehta.

The Company has not made any default in repayment of any of its debts or debentures or interest payable thereon in the preceding financial year before the date of appointment of the Managerial Personnel.

Other particulars as per Proviso (iii) to paragraph [B] of Section II of Part II of Schedule XIII to the Companies Act, 1956 are as under:

(iii) I : GENERAL INFORMATION as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956, applicable to the Managerial Personnel:

- 1) Nature of Industry : The Company is engaged in manufacture of winding wires of copper.
- 2) Date of commencement of commercial production: 31.12.1992.
- 3) In case of new companies, expected date of commencement of activities - not applicable.
- 4) Financial Performance based on given indicators:

	(Rs./Lacs)	
	2008-09	2007-08
Effective Capital	16065.52	17164.00
Net Profit after Tax	116.17	1724.79

- 5) Export Performance & net foreign exchange collaborations
 

Exports (FOB)	1886.55	839.60
Foreign Exchange Outgo	7744.58	12498.45

- 6) Foreign Investments & Collaborations if any:  
The Company has not made any Foreign Investments.  
Company has Technology Transfer Agreement for Paper Insulated Copper Conductors and Continuously Transposed Copper Conductors with M/s Essex spa, Italy.

(iii) II : INFORMATION ABOUT THE APPOINTEE Shri Milan M. Mehta as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956:

- 1) Background Details: Shri Milan M. Mehta holds B.S. (E.E.) qualifications and was Technical Director of Atlas Wires Ltd., prior to joining the Company as Managing Director in April, 1996. He has contributed *immensely to the performance of the company over the years* and played pivotal part in successful implementation of Expansion Projects undertaken by the Company.
- 2) Past Remuneration: Shri Milan M. Mehta was paid the following remuneration:

	(Rs./Lacs)	
	2008-09	2007-08
Salary	36.00	31.20
Perquisites,	5.77	4.94
Commission	3.41	28.42
Contribution to Provident Fund	4.32	3.74
	-----	-----
Total	49.50	68.30
	=====	=====

- 3) Recognition or awards: The company has no information about it.
- 4) Job Profile and his suitability: Having regard to his vast experience as Technical Director of Atlas Wires Ltd and Managing Director of the Company since 1996, the Board of Directors is of the opinion that Shri Milan Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.
- 5) Remuneration Proposed: As stated in preceding paragraphs, from 1.4.2008 to 31.3.2009.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:  
The company has no information to offer, but having regard to the versatile experience and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel:  
Shri Milan M. Mehta is a promoter of the Company holding 8,22,948 fully paid Equity Shares of Rs. 10/-

## NOTICE TO MEMBERS

each, amounting to 7.12% of the paid up capital of the Company. He is son of Shri Mahendra R Mehta, CMD and brother of Shri Deepak M Mehta, Whole-time Director.

(iii) II : INFORMATION ABOUT THE APPOINTEE Shri Deepak M. Mehta as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956:

- 1) Background Details : Shri Deepak M. Mehta is a Commerce Graduate and he was Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd. He has contributed immensely to the performance of the company over the years and played pivotal part in the growth of the Company.
- 2) Past Remuneration: Shri Deepak Mehta was paid the following remuneration:

	(Rs./Lacs)	
	2008-09	2007-08
Salary	24.00	24.00
Perquisites	7.24	10.24
Commission	3.41	28.42
Contribution to Provident Fund	2.88	2.88
	-----	-----
Total	37.53	65.54
	=====	=====

- 3) Recognition or awards: The company has no information about it.
- 4) Job Profile and his suitability: Having regard to his vast experience as Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd., the Board of Directors is of the opinion that Shri Deepak Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.
- 5) Remuneration Proposed: 1.4.2008 to 31.7.2010.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

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

- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel:

Shri Deepak M Mehta is a promoter of the Company holding 5,32,160 fully paid Equity Shares of Rs. 10/- each, amounting to 4.60% of the paid up capital of the Company. He is son of Shri Mahendra R Mehta, CMD and brother of Shri Milan M Mehta, Managing Director.

(iii) II: INFORMATION ABOUT THE APPOINTEE Shri Mahendra R Mehta as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956:

- 1) Background Details: Shri Mahendra R. Mehta is a Promoter of the Company and also the promoter and Managing Director of Atlas Wires Ltd., which was

merged with the Company in the year 2001. He has vast experience in manufacturing sector for over five decades in general and non-ferrous down-stream products and electrical industry in particular. He has held important positions at Industry Associations such as IEEMA, Bombay Chamber of Commerce and Industry, Winding Wires Manufacturers' Association and MMTC of India Ltd.

- 2) Past Remuneration: Shri Mahendra R Mehta was paid the following remuneration:

	(Rs./Lacs)	
	2008-09	2007-08
Salary	25.50	24.00
Perquisites	9.46	3.25
Commission	3.41	28.42
Contribution to Provident Fund	3.06	4.03
	-----	-----
Total	41.43	59.70
	=====	=====

- 3) Recognition or awards: The company has no information about it.
- 4) Job Profile and his suitability: Having regard to the vast experience as promoter and Managing Director of Atlas Wires Ltd prior to its amalgamation with Precision Wires India Ltd., the Board of Directors is of the opinion that Shri Mahendra Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.
- 5) Remuneration Proposed: As stated in preceding paragraphs, from 1.4.2008 to 30.9-2011.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

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

- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel:

Shri Mahendra R Mehta is a promoter of the Company holding 15,51,635 fully paid Equity Shares of Rs. 10/- each, amounting to 13.42% of the paid up capital of the Company. He is Father of Shri Milan M. Mehta, Managing Director and Shri Deepak M. Mehta, Whole-time Director.

(iii) III : OTHER INFORMATION as per proviso (IV) of Part II of Section II, section 1 [B] of Schedule XIII to the Companies Act, 1956 applicable to the Managerial Personnel:

- 1) Reasons for Loss or Inadequacy of Profits: Sudden and steep fall in the price of Copper, our Primary Input, from October 08 onward resulted in losses on sale of our finished product. Also, due to sudden economic slow-down in the 2nd half of the year, our customers deferred taking delivery of our