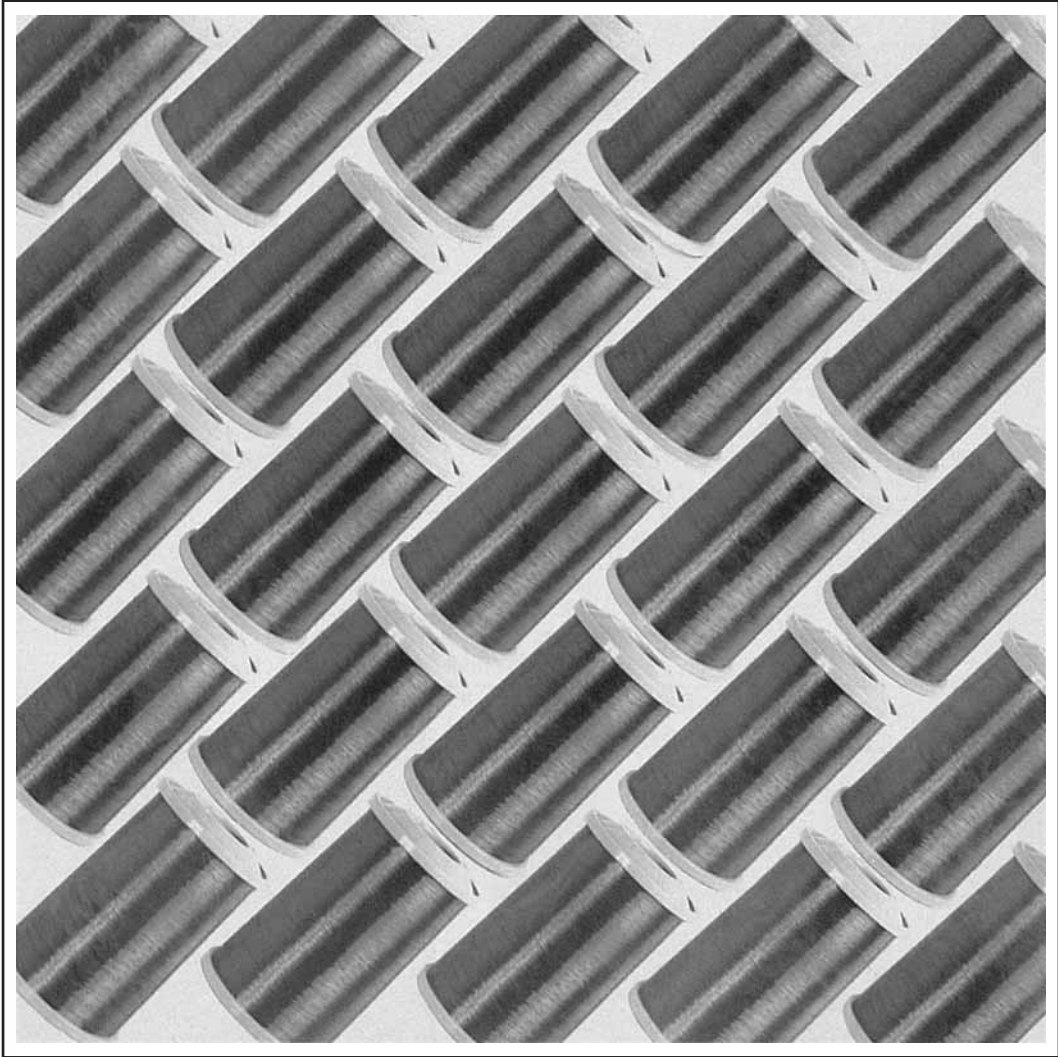


22nd

Annual Report
2010-2011



PRECISION WIRES INDIA LIMITED

Financial Highlights

Rupees in Lacs

	2010/11	2009/10	2008/09	2007/08	2006/07
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1156.36	1046.36
Reserves & Surplus	16982.86	14690.29	13023.26	13015.32	9938.94
Provision for Deferred Tax for the year - Expense/(Income)	44.75	149.02	74.63	200.97	324.38
Current Assets	32631.37	21849.16	16263.92	22037.92	19180.25
Current Liabilities	20543.93	11806.35	7704.37	11868.96	11108.52
Inventories	4876.66	2871.95	4247.26	5430.45	3598.28
Sundry Debtors	19187.81	13742.37	7865.63	11546.42	11121.88
Creditors	14878.18	10194.97	6938.09	11352.26	10606.99
Secured Loans	5448.51	5408.71	6024.97	7338.04	6086.19
Financial Charges	477.04	463.22	398.42	463.19	525.56
Depreciation	1224.74	1087.82	1032.22	900.25	751.30
Income Tax	1556.53	929.60	15.60	722.23	543.14
Dividend paid Rs. Per Equity Share	@ 6.00	4.40	0.80	3.6	3.5
Book Value of Shares Rs.	156.86	137.04	122.62	122.55	104.99
E.P.S. Rs.	26.81	19.56	1.00	15.16	16.04
No. of Shareholders	9191	8378	7952	7884	7258

© Proposed



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

WORKS :

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

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

REGISTRARS AND TRANSFER AGENTS :

Sharepro Services (India) Private Limited
Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB,
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,
Dalal Street, Fort,
Mumbai - 400 023.

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

NOTICE TO MEMBERS

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Precision Wires India Limited will be held on Wednesday, 3rd August, 2011, at 2.30 PM at the Hall of The Mysore Association, 1st 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 31st March, 2011, 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. P. 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) the following Resolution as an Ordinary Resolution:

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

Special Business:

6. To consider and if thought fit, to pass with or without modification 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 Mahendra R. Mehta as Chairman & Managing Director of the Company for a period of Three years with effect from 1st October, 2011 to 30th September, 2014, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 16th May, 2011, a copy whereof initialed by the Vice-Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 16th May, 2011

is hereby specifically approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration-Cum-Selection Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri 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 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 Mahendra R. 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 Mahendra R. Mehta as 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 Mahendra R. Mehta as 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.

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
16th May, 2011



NOTICE TO MEMBERS

Notes :-

1) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 is annexed hereto.

2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

3) The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July, 2011 to 3rd August, 2011 (both days inclusive) for payment of Dividend.

4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No.13AB, 2nd Floor, Sakinaka, Mumbai - 400072, 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 3rd August, 2011.

6) Implementation of Important Circulars issued by Ministry of Corporate Affairs:

Your Company supports the Green Initiative taken by Ministry of Corporate Affairs [MCA] vide its circulars Nos. 17/2011 dated 21-4-2011 and 18/2011 dated 29-4-2011. The Ministry has permitted electronic delivery of all Documents include the notice and explanatory statement of AGMs and EGMs, audited financial statements, Directors' Report, Auditors' Report etc and any other communication to shareholders in electronic form.

In terms of the enabling provisions of these circulars, Precision Wires India Ltd has made electronic delivery of this Annual Report to those Shareholders whose e-mail addresses are available with the R & T Agents and who have not informed to the R & T Agents of their requirement

of Annual Report and other communications from the Company in physical form only.

If you are holding shares in dematerialised form, then you may opt to receive the Company's communications in electronic mode by updating your email address with your Depository Participant where you have the Demat Account. Such addresses will be periodically downloaded from NSDL/CDSL and will be deemed to be your registered e-mail address for serving notices / documents and other correspondence, including those covered under Section 219 of the Companies Act, 1956.

If you are holding shares in physical form, then in the interest of our environment, we request you to opt for having above documents in electronic mode by sending us an email in this behalf at

[1] precisionwires@shareproservices.com & / or

[2] bhandarkar@pwil.net

7) 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 31.03.2003 have been transferred to IEPF of the Central Government. Final Dividend for financial year ended 31.3.2004 declared on 19.8.2004 is due for such transfer to IEPF on or about 18.8.2011. It may 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

Notes : (Continued)

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

NAME OF THE DIRECTOR	Shri. P. N. Vencatesan	Shri Pratap R Merchant
DATE OF BIRTH & AGE	18 th August, 1926 AGE : 85 Years	2 nd March, 1935 AGE : 76 Years
DATE OF APPOINTMENT	Appointed as Additional Director on 11.09.1991 and as Director on 25.09.1992 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 19.09.2009.	Appointed as Additional Director on 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 19.09.2009.
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 31ST MARCH, 2011	None	a) Setco Automotive Ltd. b) KJMC Asset Management Co. Ltd. c) GeeCee Ventures Ltd. (Formerly known as Gwalior Chemical Industries Limited) d) Relcon Infraprojects Ltd.
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31ST MARCH, 2011	Not Applicable	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 GeeCee Ventures Ltd. d) Chairman of Audit Committee and Member of Remuneration & Shareholders Grievances Committee of Relcon Infraprojects Ltd.
Shareholding in the Company	NIL	1000 [One Thousand only]

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

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



NOTICE TO MEMBERS

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (The Act).**Item No. 6.****Re-Appointment of Shri Mahendra R. Mehta, 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 Mahendra R. Mehta as Chairman & Managing Director of the Company. The present Term of Office of Shri. Mahendra R. Mehta as Chairman & Managing Director expires on 30th September, 2011. The Board of Directors of the Company at its Meeting held on 16th May, 2011, 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 Mahendra R. Mehta, as Chairman & Managing Director vide letter of appointment dated 16th May, 2011, for a further period of Three Years with effect from 01-10-2011 to 30-09-2014.

The Principal Terms and Conditions as contained in the said Letter of Appointment dated 16th May, 2011 are as under:

Period :

For 3 Years with effect from 01-10-2011 up to 30-09-2014.

Salary per month (p.m.) :

Rs. 2,60,000/- (Rs. Two Lac Sixty Thousand only) for the first year and Rs. 2,75,000/- (Rs. Two Lac Seventy Five Thousand only) for the remainder of his term.

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 Mahendra R. Mehta :

Perquisites

1. **Housing:**
Rent free furnished residential accommodation. In case no residential accommodation is provided by the Company the Chairman & Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. **Medical Re-imburement:**
Reimbursement of medical expenses incurred for Shri Mahendra R. Mehta and his wife.
3. **Reimbursement of gas, electricity, water charges and furnishings.**
4. **Leave travel concession for Shri Mahendra R. Mehta and his wife 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. 15,000/- p.a.
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 Mahendra R. 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.

In the event of loss or inadequacy of profits in any financial year of the Company during the currency of tenure of the 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 Mahendra R. Mehta is functioning as 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 Chairman & Managing Director shall be entitled to re-imburement of all actual expenses, including entertainment, traveling, hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- c) Either party shall be entitled to terminate this appointment by giving to the other party ninety (90) days' notice in writing without showing any cause.

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

- (i) Remuneration-Cum-Selection Committee of the Board has approved the terms of remuneration payable to Shri Mahendra R. Mehta, as mentioned hereinabove at its

NOTICE TO MEMBERS

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

meeting held on 16th May, 2011, which are in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

(ii) The company has not made any default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Shri Mahendra R. Mehta.

(iii) The appointment of Shri Mahendra R. Mehta as Chairman & Managing Director of the Company with effect from 1st October, 2011 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 3rd August, 2011, for payment of remuneration for a period not exceeding three years.

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

(iv) I: GENERAL INFORMATION:

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

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

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

[4] Financial Performance based on given indicators

	2010-11 (Rs./Lacs)	2009-10 (Rs./Lacs)
Effective Capital	20316.74	17097.44
Net Profit after Tax	3100.03	2262.30

[5] Export Performance & foreign exchange outgo:

	2010-11	2009-10
Exports (FOB)	3860.90	2327.49
Foreign Exchange Outgo [net]	15401.00	6202.04

[6] Foreign Investments & Collaborations if any:

The Company has not made any Foreign Investments.

The Technology Transfer Agreement for Continuously Transposed Copper Conductors with M/s Essex spa, Italy, has expired during the year. The Company has absorbed the Technology.

(iv) II: INFORMATION ABOUT THE APPOINTEE:

Shri Mahendra R. Mehta :

[1] Background Details: Shri Mahendra R. Mehta is a Promoter of the Company and he was Chairman & 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 Mahendra R. Mehta was paid the following remuneration:

	2010-11 (Rs/ Lacs)	2009-10 (Rs/ Lacs)
Salary	27.00	27.00
Perquisites	3.25	4.98
Commission	49.83	34.19
Contribution to Provident Fund	3.24	3.24
Total	83.32	69.41

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

[4] Job Profile and his suitability: Having regard to the vast experience as Chairman & 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 R. Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.

[5] Remuneration Proposed: as per the above explanatory statement, for a period of three years from 1-10-2011 to 30-09-2014

[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 fully paid Equity Shares of Rs. 10/- each, amounting to 13.42% of the paid up capital of the Company. He is related to Shri Milan M. Mehta, Managing Director and Shri Deepak M. Mehta, Whole-time Director.

(iv) III: OTHER INFORMATION:

[1] Reasons for Loss or Inadequacy of Profits: Not applicable as Company is a profit making company at present.



NOTICE TO MEMBERS

[2] Steps taken or proposed to be taken for improvement: Not applicable as the Company is a profit making company at present. However, company continues to strengthen internal procedures to control inventories and operating costs.

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

(iv) IV: DISCLOSURES:

[1] The Remuneration package of the Managerial Personnel for the year 1.4.2010 to 31.3.2011, is given in the explanatory statement above.

[2] The following information has been disclosed in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report for the year 2010-11:

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

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

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

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

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

Shri Mahendra R. Mehta, is concerned with and interested in the Special Resolutions at item No. 6 as also in his Letter of Appointment dated 16th May, 2011 referred in the said item aforesaid as they relate to the terms of his own Re-appointment and Remuneration.

Shri Milan M. Mehta, Vice Chairman & Managing Director and Shri Deepak M. Mehta, Whole-time Director may be deemed to be concerned with and interested in the above Re-appointment of Shri Mahendra R. Mehta as Chairman & Managing Director as they are his relatives.

Save as aforesaid, no Directors are in any way concerned or interested in the Resolution at item no. 6 of the accompanying Notice of Meeting of shareholders to be held on 3rd August, 2011.

DOCUMENTS OPEN FOR INSPECTION:

The Copy of the Letter of appointment dated 16th May, 2011, issued to Shri Mahendra R. Mehta, referred in the item No. 6 of Agenda of the accompanying Notice, is open for inspection by the Members at the Registered Office of the Company between 11.00 AM and 1.00 PM on any working day of the Company, except Saturday.

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

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
16th May, 2011.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Twenty Second Annual Report of your Company, together with the Audited Accounts for the year ended 31st March, 2011.

1. Financial Results :

	(Rupees in Lacs)	
	<u>2010-11</u>	<u>2009-10</u>
Sales (including Excise Duty)	97618.24	69706.33
Less : Excise Duty	(10254.49)	(6687.00)
Sales (Net of Excise Duty)	<u>87363.75</u>	<u>63019.33</u>
Operating Profit	6275.59	4451.71
Add : Other Income	<u>127.50</u>	<u>299.67</u>
Profit before Financial Charges, Depreciation & Taxes	6403.09	4751.38
Financial Charges	(477.04)	(463.22)
Depreciation	<u>(1224.74)</u>	<u>(1087.82)</u>
Profit before Taxes & Extra-ordinary Items	4701.31	3200.34
Extra-ordinary Items	-	140.58
Profit before Taxes	4701.31	3340.92
Less:		
Provision for Income Tax	(1508.00)	(917.00)
Provision for Wealth Tax	(0.38)	(0.13)
Provision for Deferred Tax	(44.75)	(149.02)
Prior Years' Tax Adjustments	<u>(48.15)</u>	<u>(12.47)</u>
Profit after Tax	3100.03	2262.30
Add : Balance brought forward from last Account	<u>359.66</u>	<u>392.63</u>
Balance available : (A)	3459.69	2654.93
Which the Board of Directors have appropriated as under :		
(i) Transfer to General Reserve	2300.00	1700.00
(ii) Proposed Total Dividend @ Rs. 6.00 for the year (Previous year @ Rs. 4.40), which includes Interim Dividend @ Rs. 2.40 (Rs. 2.40), per equity share.	693.82	508.80
(iii) Corporate Tax on Dividend	<u>113.65</u>	<u>86.47</u>
(B)	3107.47	2295.27
Balance carried forwarded in Profit & Loss Account (A) – (B)	<u>352.22</u>	<u>359.66</u>

2. Dividend

At the Meeting held on 31st August, 2010, the Directors had recommended an interim dividend @ Rs. 2.40 (24%) per equity share of Rs. 10/- each, fully paid, for the financial year 2010-11, since paid. The Directors are pleased to recommend final Dividend @ Rs 3.60 (36%) per equity share for the year ended 31st March 2011, making total

dividend recommended of Rs. 6.00 (Sixty percent) per equity share of Rs. 10/- each, fully paid, subject to the approval of Shareholders at the ensuing Annual General Meeting.

3. Operations

During the fiscal the overall economic climate was satisfactory and your Company has performed very well. PBT has increased to 4701 (3341) and PAT is 3100 (2262) for the year. Reserves and Surplus (without revaluation) has increased to 16983 (14690), all figures are in Rs./Lacs.

The Company has discharged all financial obligations in time on due dates without any delay or default.

During the year under review:

- [a] The total Production of Finished Goods was about 25832 [23500] MT, an increase of approx. 10%.
- [b] Sales Income Gross was Rs. 97618 [Rs. 69706] lacs and Income net of Taxes Rs. 87364 [Rs. 63019] lacs respectively. Sales Income is higher during the year due to increase in production on own account, lower job work business and higher cost of Copper.
- [c] Increase in the Gross Block stands at Rs. 3430 (Rs. 696) lacs due to addition in Plant and Machinery and Civil Works during the year.
- [d] Prices of Copper, our principal input, remained volatile. However, your Company preferred to, generally, have back-to-back procurement of input and sales of finished goods so as to avoid pricing mismatch related issues.
- [e] Your Company has successfully executed and completed an Order for substantial quantity of Paper Insulated Copper Conductors received from Bharat Heavy Electricals Ltd, the largest Electrical Equipment Manufacturer in Asia.

Due to the melt-down of economy, in the world and also in our country, during fiscal 2008-09, your Company had deferred plans for expansion. However, equipments ordered during fiscal 2009-10 have been received during the second half of fiscal under review and put to use during QIV FY10-11. Your Company has purchased, for future expansion, about 14 Acres of Industrial Land in Andhra Pradesh at a cost of about Rs. 368 lacs. The Company has deferred decision to invest in wind-power-energy generation.

Your Company is the market leader in the field of winding wires made of copper in India and continues to explore export markets. Since India is power-deficit-country, long term prospects of the Electrical Equipment Manufacturing Industry is bright, subject to adequate allocation of funds and reforms in the Power-Sector- Policy. You are aware that your products are used in the manufacture of electrical equipments.

On the whole, your Company has performed extremely well despite challenging conditions. Barring unforeseen circumstances such as inflation, high rates of interest and