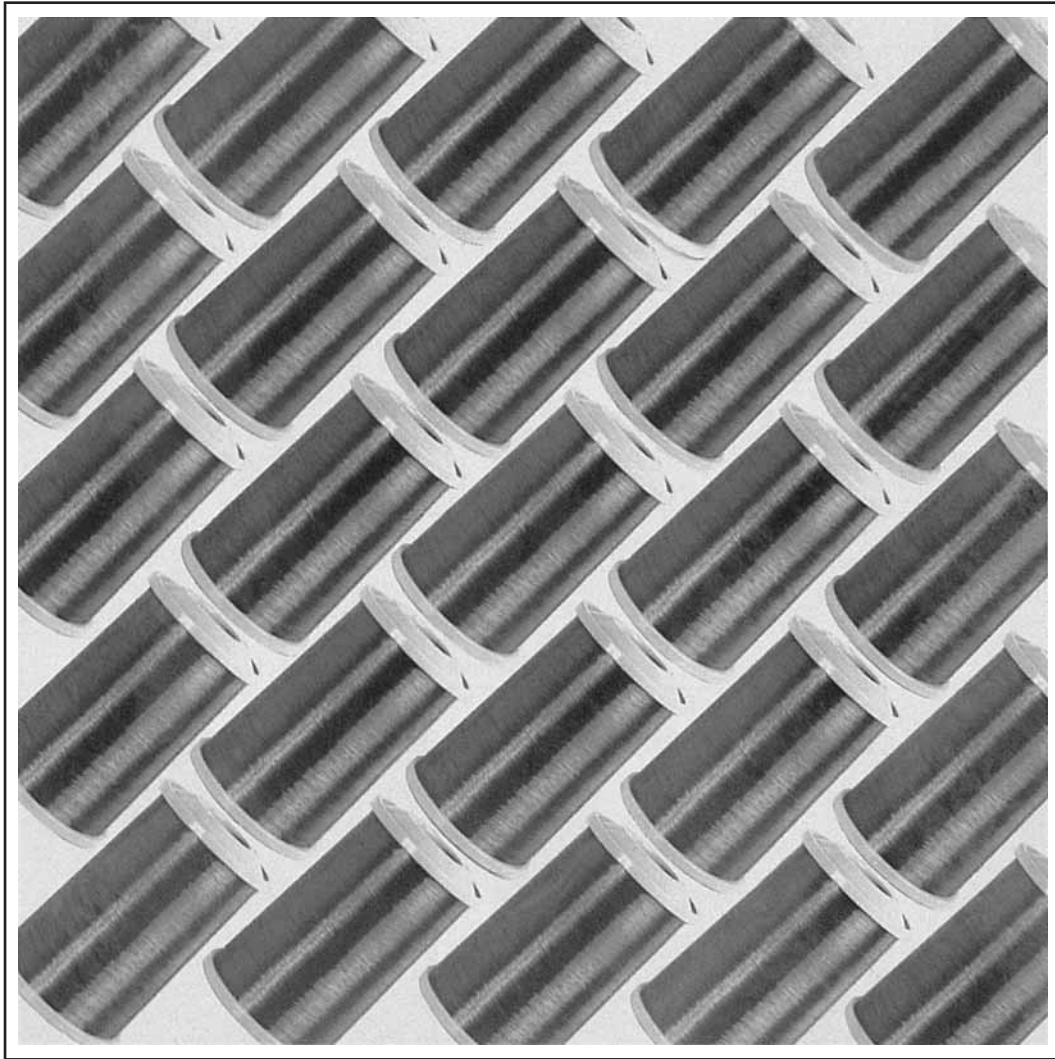


23rd  
Annual Report  
2011-2012



PRECISION WIRES INDIA LIMITED

**Financial Highlights**

Rupees in Lacs

	2011/12	2010/11	2009/10	2008/09	2007/08
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1156.36	1156.36
Reserves & Surplus	17992.69	16982.86	14690.29	13023.26	13015.32
Provision for Deferred Tax for the year - Expense/(Income)	111.13	44.75	149.02	74.63	200.97
Current Assets	30122.38	32631.37	21849.16	16263.92	22037.92
Current Liabilities	23885.44	20543.93	11806.35	7704.37	11868.96
Inventories	7610.71	4876.66	2871.95	4247.26	5430.45
Sundry Debtors	16834.52	19187.81	13742.37	7865.63	11546.42
Creditors	15317.87	14878.18	10194.97	6938.09	11352.26
Secured Loans	5226.70	5448.51	5408.71	6024.97	7338.04
Financial Charges	595.32	477.04	463.22	398.42	463.19
Depreciation	1293.52	1224.74	1087.82	1032.22	900.25
Income Tax	549.78	1556.53	929.60	15.60	722.23
Dividend paid                      Rs. Per Equity Share	@ 3.00	6.00	4.40	0.80	3.60
Book Value of Shares              Rs.	165.59	156.86	137.04	122.62	122.55
E.P.S.                                      Rs.	12.23	26.81	19.56	1.00	15.16
No. of Shareholders	8988	9191	8378	7952	7884

© Proposed



## PRECISION WIRES INDIA LIMITED

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### 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*		
Mr. Pradip Roy **		

\*Independent & Non-Executive Directors.

\*\* Additional Independent & Non-Executive Director (Appointed on 14<sup>th</sup> November, 2011 by the Board).

**COMPANY SECRETARY** : Ms. Rajni M. Lalwani

**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, Amla 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,  
2<sup>nd</sup> 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 23<sup>rd</sup> Annual General Meeting of the Members of Precision Wires India Limited will be held on 9<sup>th</sup> August, 2012, at 2.30 p.m. 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 businesses:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012, 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 Vijay M. Crishna who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri Ashwin P. Kothari who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for re-appointment.
5. To appoint a Director in place of Shri Pradip Roy, who was appointed as an Additional Director of the Company by the Board of Directors of the Company on 14<sup>th</sup> November, 2011, pursuant to Article 113 of the Articles of Association of the Company who holds office upto the date of the 23<sup>rd</sup> Annual General Meeting by reason of Section 260 of the Companies Act, 1956 and is eligible for re-appointment and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- (Rupees Five Hundred Only) from a member proposing his candidature for the office of Director.
6. 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:**

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 or any statutory amendments 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 & Managing Director of the Company for a period of Three years with effect from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2015, on remuneration and

the terms and conditions as set out in the Letter of Appointment dated 8<sup>th</sup> February, 2012, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 8<sup>th</sup> February, 2012, 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 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.

**By Order of the Board**

**Rajni M Lalwani**  
Company Secretary

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

Mumbai  
28<sup>th</sup> May, 2012.

**NOTICE TO MEMBERS****Notes :-**

- 1) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 5 & 7 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 4<sup>th</sup> August, 2012 to 9<sup>th</sup> August, 2012 (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 9<sup>th</sup> August, 2012.
- 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 31.03.2004 has been transferred to IEPF of the Central Government. Final Dividend for financial year ended 31.3.2005 declared on 28.07.2005 is due for such transfer to IEPF on or about 27.8.2012. Vide Notification No. GSR 352[E] dated 10<sup>th</sup> May, 2012, the Ministry of Corporate Affairs has mandated filing of information regarding unpaid/ unclaimed Dividend Amounts on the website of the Ministry of Corporate Affairs and of the Company. This will be complied within the prescribed time limit, after which Members would be able to access this information on the above referred websites. It may be noted that once unclaimed dividend is transferred to the Central Government, no claim shall lie in respect thereof.
- 7) **Important Communication to Members - Green Initiative in the Corporate Governance :**  
The Ministry of Corporate Affairs (MCA) has taken Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies and has issued Circular stating that service of all documents including Annual Reports can be made by e-mail to all members of a Company. Your Company believes that this is a remarkable and necessitated initiative by MCA and requests all Members of the Company to support this noble cause.  
We therefore propose to send documents including Annual Reports in electronic form to the Members on the e-mail address provided by them to the Company / Share Transfer Agent / The Depositories.  
The Members who hold shares in physical form are requested to intimate / update their e-mail address to the Company / Share Transfer Agent in this behalf at :  
a) precisionwires@shareproservices.com  
and / or  
b) bhandarkar@pwil.net  
While Members holding shares in demat form can intimate / update their e-mail address to their respective Depository Participants. Members are requested to further note they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.
- 8) 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:

<b>NAME OF THE DIRECTOR</b>	<b>Shri Vijay M. Crishna</b>	<b>Shri Ashwin P. Kothari</b>
<b>DATE OF BIRTH &amp; AGE</b>	8 <sup>th</sup> March, 1945, AGE: 67 Years	14 <sup>th</sup> September, 1942 AGE: 70 Years
<b>DATE OF APPOINTMENT</b>	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 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 23.07.2010.	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 23.07.2010.
<b>EXPERTISE IN SPECIFIC FUNCTION</b>	Expertise in Engineering and I.T. Industry and extensive managerial experience	Expertise in Ferrous and Non Ferrous Metal & Chemical Industries.
<b>QUALIFICATIONS</b>	B.A.(Economics)	S.B.(MIT)

## NOTICE TO MEMBERS

<b>LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD</b>	(a) Godrej Industries Ltd. (b) Godrej & Boyce Mfg. Co.Ltd. (c) Godrej Agrovat Ltd. (d) Naoroji Godrej Centre for Plant Research.	(a) GeeCee Ventures Limited (b) Five Star Trading & Investment Co. Ltd. (c) Park Avenue Engineering Ltd. (d) Meenakshi Steel Industries Ltd. (e) Jatayu Textiles & Industries Ltd. (f) Essel Mining & Industries Ltd. (g) Aditya Birla Health Services Ltd. (h) Four Dimensions Capital Markets Pvt. Ltd. (i) New Method Agriplant Pvt. Ltd. (j) Riverend Agro Pvt. Ltd. (k) Fresh Water Farms Pvt.Ltd. (l) Vaibhav Medical & Education Foundation (m) G. D. Birla Medical Research & Education Foundation
<b>CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR</b>	NIL	NIL
<b>Shareholding in the Company</b>	NIL	NIL

Shri Vijay M. Crishna and Shri A. P. Kothari 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 Vijay M. Crishna and Shri A. P. Kothari.

9. Brief note on the background and functional experience of Shri Pradip Roy, Additional Independent Directors proposed to be appointed as Director at the ensuing Annual General Meeting as per Item No. 5 of this Notice, pursuant to Clause 49 of the Listing Agreement:

Please refer to the Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, for Agenda Item No. 5, attached to this Notice.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company / Registrars and Transfer Agents.





NOTICE TO MEMBERS

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

**Agenda Item No. 5: Appointment of Shri Pradip Roy as Director of the Company.**

Shri Pradip Roy [64 Years, Date of Birth - 12<sup>th</sup> August, 1948] was appointed as an Additional Director on 14<sup>th</sup> November, 2011 by the Board of Directors of the Company. Pursuant to the provisions of Section 260 of the Act read with Article 113 of the Articles of Association of the Company, Shri Pradip Roy will hold office as a Director only upto the date of the 23<sup>rd</sup> Annual General Meeting of the Company.

The Company has received a notice in writing along with the requisite Deposit of Rs. Five Hundred under Section 257 of the Act, from a Member signifying his intention to propose Shri Pradip Roy as a candidate for the office of Director.

The relevant particulars about Shri Pradip Roy are as under:

<b>EXPERTISE IN SPECIFIC FUNCTION &amp; EXPERIENCE</b>	Shri Pradip Roy has been appointed as an Additional Director on 14 <sup>th</sup> November, 2011 by the Board of Directors and holds office until the ensuing Annual General Meeting. Besides being a Graduate Engineer from Indian School of Mines, Dhanbad, and a MBA from Delhi University, Shri Roy is qualified CAIIB, a successful Banker and retired as Executive Director of IDBI Bank Ltd. He is also on the Board of eminent Companies. He has been associated with various Committees constituted by Government / Industry Association on Policy formation etc in Infrastructure field. He was nominated by the Government of India to represent Financial Sector on Ports and Roads set up by Planning Commission, under the Chairmanship of Ex Dy Governor of Reserve Bank of India.
<b>QUALIFICATIONS</b>	Graduate Engineer from Indian School of Mines, Dhanbad, MBA from University of Delhi and CAIIB. He has also successfully completed a graded programme on Investment Appraisal and Management conducted by Harvard University, Cambridge, USA.
<b>LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD</b>	(a) Phillips Carbon Black Limited. (b) Noida Power Company Limited. (c) L & T Mutual Fund Trustee Limited. (d) GVK Industries Limited.
<b>CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR</b>	None
<b>SHAREHOLDING IN THE COMPANY.</b>	NIL

**MEMORANDUM OF CONCERN OR INTEREST IN ITEM NUMBER 5 OF THE NOTICE OF THE MEETING:**

Shri Pradip Roy is interested in the Ordinary Resolution at item No. 5 of the accompanying notice, as it relates to his own appointments and none of other Directors are in any way concerned or interested in this Resolution. Your Directors commend your approval to the appointment of Shri Pradip Roy.

**Agenda Item No. 7 : Re-Appointment of Shri Milan M. Mehta, Vice Chairman & Managing Director.**

The resolution at Item No. 7 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 expired on 31<sup>st</sup> March, 2012. The Board of Directors of the Company at its Meeting held on 8<sup>th</sup> February, 2012, 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, as Vice Chairman & Managing Director vide letter of appointment dated 8<sup>th</sup> February, 2012, for a further period of Three Years with effect from 01-04-2012 to 31-03-2015.

The Principal Terms and Conditions as contained in the said Letter of Appointment dated 8<sup>th</sup> February, 2012 are as under:

**Period:**

For 3 Years with effect from 01-04-2012 up to 31-03-2015.

**Salary per month (p.m.):**

Rs. 5,50,000 /- ( Rupees Five Lacs Fifty Thousand only) per month from April 2012 to March 2013 with increase to,

Rs. 6,10,000/- (Rupees Six Lacs Ten Thousand only) per month from April 2013 to March 2014 with increase to,

Rs. 6,50,000/- (Rupees Six Lacs Fifty Thousand only) per month from April 2014 to March 2015.

**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**

- 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.
- Medical Re-imbursement:**  
Reimbursement of medical expenses incurred for Shri Milan M. Mehta and family.
- Reimbursement of gas, electricity, water charges and furnishings.**

**NOTICE TO MEMBERS****Explanatory Statement to Item No. 7 of the Notice, (Continued)**

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 and third party insurance for a maximum of Rs. 50,00,000/-.
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

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-imbursement of all actual expenses, including entertainment, traveling, hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- 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 Milan M. Mehta, as mentioned hereinabove at its meeting held on 8<sup>th</sup> February, 2012, 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 Milan M. Mehta.

- (iii) The appointment of Shri Milan M. Mehta as Vice Chairman & Managing Director of the Company with effect from 1<sup>st</sup> April, 2012 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 9<sup>th</sup> August, 2012, 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 :

**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:

	2011-12 (Rs./Lacs)	2010-11 (Rs./Lacs)
Effective Capital	19428.62	17766.61
Net Profit after Tax	1414.51	3100.03

- [5] Export Performance & foreign exchange outgo:

Exports (FOB)	6760.23	3860.90
Foreign Exchange Outgo [net]	14820.66	15401.00

- [6] Foreign Investments & Collaborations if any:

No. Foreign Investments.

Technology Transfer Agreement with an Italian Technocrat with long experience in the Industry.

**(iv) II : INFORMATION ABOUT THE APPOINTEE:**

Shri Milan M. Mehta:

- [1] Background Details: Shri Milan M. Mehta holds B.S.(E.E.) qualifications from an American University and was Technical Director of erstwhile 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 Project undertaken and growth of the Company.

- [2] Past Remuneration: Shri Milan M. Mehta was paid the following remuneration:

	2011-12 (Rs./Lacs)	2010-11 (Rs./Lacs)
Salary	48.00	48.00
Perquisites	14.75	21.66
Commission	18.54	49.83
Contribution to Provident Fund & Provision for Gratuity	8.07	8.07
<b>Total</b>	<b>89.36</b>	<b>127.56</b>





## NOTICE TO MEMBERS

## Explanatory Statement to Item No. 7 of the Notice, (Continued)

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

[4] Job Profile and his suitability : Having regard to the 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 M. 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 1-04-2012 to 31-03-2015

[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 fully paid Equity Shares of Rs. 10/- each, amounting to 6.81% of the paid up capital of the Company. He is related to Shri Mahendra R. Mehta, CMD 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.

[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 1.4.2011 to 31.3.2012, 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 2011-12:

[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.

<b>LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD</b>	GeeCee Ventures Ltd.
<b>CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR</b>	None

Your Directors commend the proposed Resolutions at item Nos. 7 of the Agenda as Special Resolutions for your approval.

**MEMORANDUM OF CONCERN OR INTEREST IN ITEM NUMBER 7 OF THE NOTICE OF THE MEETING:**

Shri Milan M. Mehta, is concerned with and interested in the Special Resolutions at item No. 7 as also in his Letter of Appointment dated 8th February, 2012 referred in the said item aforesaid as they relate to the terms of his own Re-appointment and Remuneration.

Shri Mahendra R. Mehta, 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 Milan M. Mehta as Vice 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. 7 of the accompanying Notice of Meeting of shareholders to be held on 9<sup>th</sup> August, 2012.

**DOCUMENTS OPEN FOR INSPECTION:**

1) In respect of Ordinary Resolution referred in the item No.5 of Agenda of the accompanying Notice relating to Shri Pradip Roy:

(a) Letter of Consent dated 2<sup>nd</sup> November, 2011 for joining the Board of Precision Wires India Ltd and

(b) Notice dated 18<sup>th</sup> May, 2012 from a member proposing appointment of Shri Pradip Roy as an Independent Director of the Company.

2) In respect of Special Resolution referred in the item No.7 of Agenda of the accompanying Notice relating to Shri Milan M. Mehta:

(a) The Copy of the Letter of appointment dated 8<sup>th</sup> February, 2012, issued to Shri Milan M. Mehta.

All the above documents are 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.

**Registered Office:**

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

Dated : 28<sup>th</sup> May, 2012

**By Order of the Board**

**Rajni M Lalwani**  
**Company Secretary**

## DIRECTORS' REPORT

## TO THE MEMBERS

The Directors hereby present the Twenty Third Annual Report of your Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

## 1. Financial Results :

	(Rupees in Lacs)	
	2011-12	2010-11
Sales (including Excise Duty)	104706.14	97618.24
Less : Excise Duty	(11527.51)	(10254.49)
Sales (Net of Excise Duty)	93178.63	87363.75
Operating Profit	3776.78	6278.37
Add : Other Income	76.35	127.50
Profit before Financial Charges, Depreciation & Taxes	3853.13	6405.87
Financial Charges	(595.33)	(479.82)
Depreciation	(1293.52)	(1224.74)
Profit before Taxes & Extra-ordinary Items	1964.28	4701.31
Extra-ordinary Items	—	—
Profit before Taxes	1964.28	4701.31
Less:		
Provision for Income Tax	(549.78)	(1601.28)
Profit after Tax	1414.50	3100.03
Add : Balance brought forward from last Account	352.22	359.66
<b>Balance available : (A)</b>	<b>1766.72</b>	<b>3459.69</b>
Which the Board of Directors have appropriated as under :		
(i) Transfer to General Reserve	1000.00	2300.00
(ii) Proposed Total Dividend @ Rs. 3.00 for the year (Previous year @ Rs. 6.00), which includes Interim Dividend @ Rs. 1.80 (Rs. 2.40), per equity share.	346.91	693.82
(iii) Corporate Tax on Dividend	56.28	113.65
<b>(B)</b>	<b>1403.19</b>	<b>3107.47</b>
<b>Balance carried forwarded in Profit &amp; Loss Account (A) – (B)</b>	<b>363.53</b>	<b>352.22</b>

## 2. Dividend

At the Meeting held on 8<sup>th</sup> February, 2012, the Directors had recommended an interim dividend @ Rs. 1.80 (18%) per equity share of Rs. 10/- each, fully paid, for the financial year 2011-12, since paid. The Directors are pleased to recommend final dividend @ Rs. 1.20 (12%) per equity share for the year ended 31<sup>st</sup> March, 2012, making total dividend recommended of Rs. 3/- (30%) 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 and Industrial climate was unfortunately sluggish. The growth in the production of domestic Electrical Equipment Industry was lower. The financial crisis in Western Europe has also cast negative effect on manufacturing sector and economy in general in India.

High rate of interest, inflation, increase in the cost of our primary inputs, power and fuel, substantial volatility in the foreign exchange and increase in cost all around has resulted in the contraction by more than 20% of the production of Capital-Goods-sector impacting our operations.

Despite such adverse economic climate in the Country, your Company has performed reasonably well during the year under review.

The total production during the year was 24862 M Tons [25832 MT], marginal decrease of about 4%. The overall gross sales income was Rs. 1047 Cr. [976 Cr] and income net of taxes Rs. 932 [874] Cr. The increase in the sales income, despite marginal fall in production, is due to increase in the cost of primary raw materials consumed, besides more production on own account and less production on job work account.

For the year, the PBDIT is 3853.13, PBDT 3257.80, PBT 1964.28 and PAT 1414.51 lacs. Our Reserve and Surplus are Rs 17992.69 (16982.86) lacs at the end of March 2012.

Though prices of copper, our principal input remained volatile during the year, your company has generally preferred to have back to back procurement of input to avoid pricing mismatch of the sale of finished goods.

Your company continues to be the market-leader in the field of Winding Wires in India. Export efforts continue.

The Company has successfully executed an Order for 765 KV Continuously Transposed Conductors and the EHV Power Transformer made therefrom by a renowned Domestic Transformer Manufacturer are satisfactorily working in the field since quiet some time.

Addition in the plant and machinery and civil work during the year is about Rs. 12 Crores.

Notwithstanding whatever has been stated in the foregoing paragraphs about the sluggishness in the Capital-Goods-sector in our Country during the year, your company continues to be optimistic about future growth in the sector. India being a power-deficit-country, the long term prospects of the Electrical Equipment Manufacturing Industry is bright. Our Government is aware of constraints such as availability of proper grade coal for the thermal plants and has initiated actions in right direction. Our Winding Wires, as you are aware, are used in the manufacture of Electrical Equipment, which again depend on the development of Electrical Power sector. Our Company is looking forward to the future with optimism.

Your Company has discharged all financial obligations in time, without delay or default and continues to remain a Dividend paying Company since long time and has low-debt-gearing.

## 4. 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.

The Equity Shares of the Company are compulsorily traded in dematerialized form as prescribed by SEBI. The same