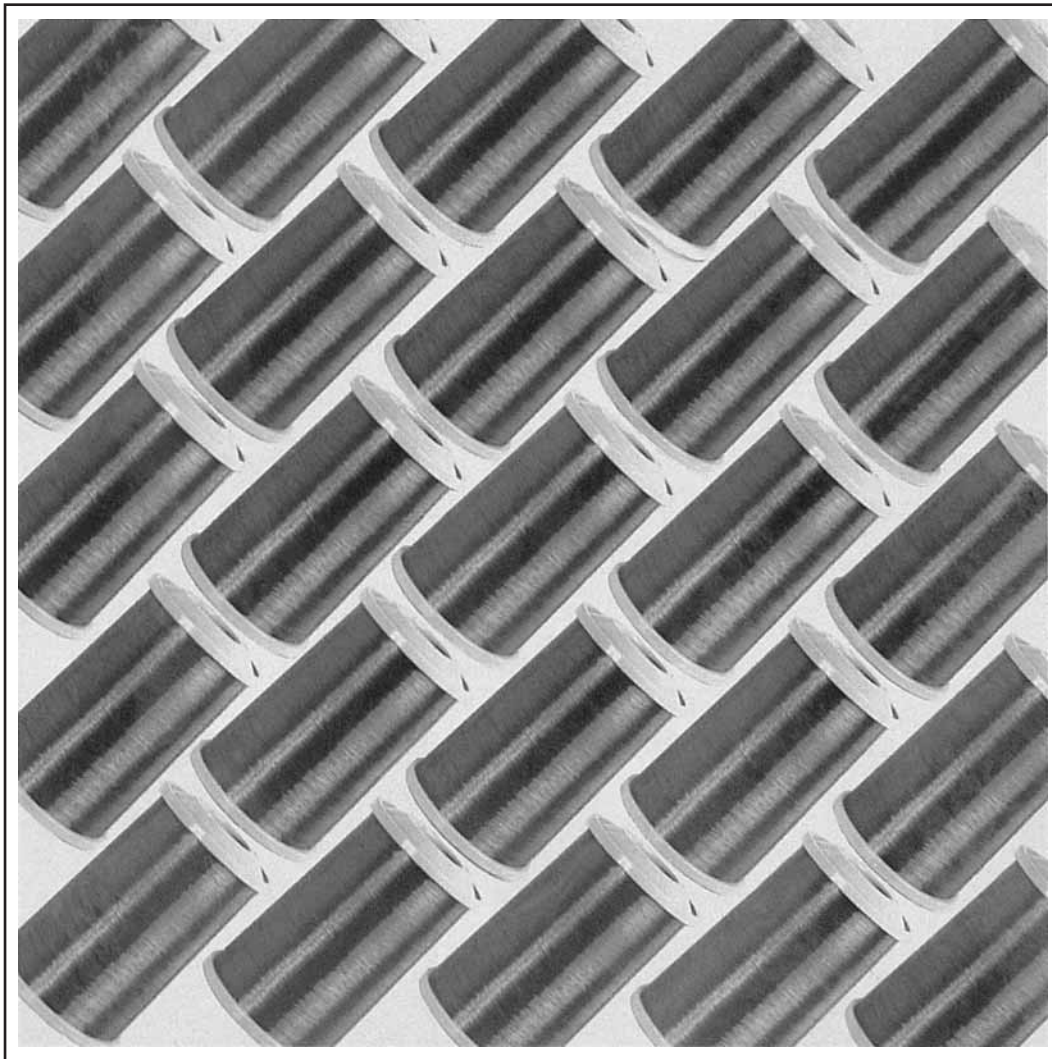


24th

Annual Report
2012-2013



PRECISION WIRES INDIA LIMITED

Financial Highlights

Rupees in Lacs

	2012/13	2011/12	2010/11	2009/10	2008/09
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1156.36	1156.36
Reserves & Surplus	19063.43	17992.69	16982.86	14690.29	13023.26
Provision for Deferred Tax Liability (Net)	1691.83	1672.98	1784.11	1739.36	1590.34
Current Assets	39241.27	30122.38	32631.37	21849.16	16263.92
Current Liabilities	30355.87	23885.44	20543.93	11806.35	7704.37
Inventories	9813.43	7610.71	4876.66	2871.95	4247.26
Sundry Debtors	19260.05	16834.52	19187.81	13742.37	7865.63
Creditors	17732.12	15317.87	14878.18	10194.97	6938.09
Secured Loans	5373.65	5226.70	5448.51	5408.71	6024.97
Financial Charges	506.85	595.32	477.04	463.22	398.42
Depreciation	1257.41	1293.52	1224.74	1087.82	1032.22
Income Tax (incl. Deferred Tax)	792.41	549.78	1556.53	929.60	15.60
Total Dividend paid Rs. Per Equity Share	@ 4.00	3.00	6.00	4.40	0.80
Book Value of Shares Rs.	174.85	165.59	156.86	137.04	122.62
E.P.S. Rs.	13.80	12.23	26.81	19.56	1.00
No. of Shareholders	8537	8988	9191	8378	7952

@ Proposed



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

Shri Mahendra R. Mehta	–	Chairman and Managing Director & CEO
Shri Milan M. Mehta	–	Vice Chairman and Managing Director
Shri Deepak M. Mehta	–	Whole-time Director

Shri P. N. Vencatesan*

Shri Vijay M. Crishna*

Shri A. P. Kothari*

Shri P. R. Merchant*

Shri Pradip Roy *

*Independent & Non-Executive Directors.

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,
2nd Floor, Sakinaka, Mumbai - 400 072.
Tel. No. : (022) 67720400 • Fax No. : (022) 67720416
Email Id : sharepro@shareproservices.com

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 24th Annual General Meeting of the Members of Precision Wires India Limited will be held on Wednesday, 7th August, 2013 at 2.30 P.M. 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 businesses:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013, 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 re-appointment.
4. To appoint a Director in place of Shri Pratap R. Merchant who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for re-appointment.
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(s) 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 Deepak M. Mehta as Whole-time Director of the Company for a period of Three years with effect from 1st August, 2013 to 31st July, 2016, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 29th May, 2013, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 29th May, 2013, 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 Deepak 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 Deepak M. Mehta.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of

the Companies Act, 1956, the remuneration payable to Shri Deepak M. Mehta as Whole-time Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company computed under Section 198 of the Companies Act, 1956 and if the company has more than one managerial personnel, ten percent of such net profits for all such managerial personnel of the Company together in that financial year.

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

RESOLVED FURTHER THAT 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.

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

RESOLVED THAT pursuant to Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications, amendments or enactment thereof for the time being in force and as may be enacted from time to time (hereinafter referred to as "the Act") and subject to the approval of the Central Government and such other approvals or consents as may be necessary, the consent of the Company be and is hereby accorded to Shri Nirbhay Deepak Mehta, son of Shri Deepak Mehta, Whole-time Director, Grandson of Shri Mahendra Ratilal Mehta, Chairman and Nephew of Shri Milan Mahendra Mehta, Managing Director of the Company, to hold office and place of profit in the company for a period of three years with effect from 1st August, 2013 on remuneration and such other terms and conditions as set out in the appointment letter dated 29th May, 2013 a copy whereof initialed by the Chairman of the Company for the purpose of identification and placed before the Meeting which letter of appointment is hereby specifically approved.

RESOLVED FURTHER THAT the Managing Directors of the Company and the Secretary of the Company be and are hereby severally authorized to make, sign and submit the application to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt that may arise in giving effect to this resolution, do all such acts, deeds and things, sign and execute all documents including to alter, vary and modify the terms and conditions of the said appointment letter issued to Shri Nirbhay Deepak Mehta and approved at this meeting and to take such steps as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

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
29th May, 2013.

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

- 1) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 & 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 1st August, 2013 to 7th August, 2013 (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 or to their respective Depository participants, in case shares are held in electronic mode.
- 7) 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 7th August, 2013.
- 8) 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 31.03.2005 has been transferred to IEPF of the Central Government. Dividend for financial year ended 31.3.2006 declared on 31.08.2006 is due for such transfer to IEPF on or about 30.8.2013. Vide Notification No. GSR 352[E] dated 10th 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.
- 9) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- 10) 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: 87 Years	2 nd March, 1935 AGE: 78 Years
DATE OF APPOINTMENT	Appointed as Additional Director on 11.9.1991 and as Director on 25.9.1992 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 03.08.2011.	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 03.08.2011.
EXPERTISE IN SPECIFIC FUNCTION	Renowned Management Consultant	Ex-Banker, having 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, 2013	None	a) KJMC Asset Management Co. Ltd. b) Geecee Ventures Ltd.

NOTICE TO MEMBERS

CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE OTHER COMPANIES ON WHICH HE IS A DIRECTOR	None	a) Chairman of Audit Committee and Member of Remuneration Committee of KJMC Asset Management Co. Ltd. b) Member of Audit Committee and Member of Remuneration Committee of Geecee Ventures 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.

11. 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.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Share Transfer Agent.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrars and Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., for consolidation into a single folio.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.



NOTICE TO MEMBERS

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 [The Act].**Agenda Item No. 6:****Re-Appointment of Shri Deepak M. Mehta, Whole-time 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 Deepak M. Mehta as Whole-time Director of the Company. The present Term of Office of Shri Deepak M. Mehta as whole-time Director expires on 31st July, 2013. The Board of Directors of the Company at its Meeting held on 29th May, 2013, 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 Deepak M. Mehta, as Whole-time Director vide letter of appointment dated 29th May, 2013, for a further period of Three Years with effect from 1st August, 2013 to 31st July, 2016.

The Principal Terms and Conditions as contained in the said Letter of Appointment dated 29th May, 2013 are as under:

Period:

For 3 Years with effect from 1st August, 2013 up to 31st July, 2016.

Salary per month (p.m.):

Rs. 2,85,000/- (Rupees Two Lacs Eighty Five Thousand only) p.m. - From 1st August, 2013 to 31st July, 2014 with increase to,

Rs. 3,00,000/- (Rupees Three Lacs only) p.m. - From 1st August, 2014 to 31st July, 2015 with increase to,

Rs. 3,20,000/- (Rupees Three Lacs Twenty Thousand only) p.m. - From 1st August, 2015 to 31st July, 2016.

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 Deepak M. Mehta:

Perquisites

1. Housing:
Rent free furnished residential accommodation. In case no residential accommodation is provided by the Company the Whole-time Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. Medical Re-imbusement:
Reimbursement of medical expenses incurred for Shri Deepak M. Mehta and family.
3. Reimbursement of gas, electricity, water charges and furnishings.
4. Leave travel concession for Shri Deepak M. Mehta and family once in a year not exceeding one month's salary for each year. In case leave travel concession is not availed of in any year, the same shall be allowed to be accumulated subject to a maximum of three years.
5. Fees of clubs subject to a maximum of two clubs.

6. Personal accident insurance subject to a maximum premium of Rs. 10,000/- per annum and third party insurance for a maximum amount 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 Deepak M. Mehta shall also be paid the following perquisites, which shall not be included in the computation of the ceiling on the remuneration in the event the company has no profit or its profits are inadequate in any financial year during the aforesaid period:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and
- c) Encashment of leave at the end of each calendar year.

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

Other terms

- a) As long as Shri Deepak M. Mehta is functioning as Whole-time Director of the Company no sitting fees will be paid to him for the meetings of the Board of Directors or any Committee thereof attended by him.
- b) The Whole-time Director shall be entitled to re-imbusement 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 Deepak M. Mehta, as mentioned hereinabove at its meeting held on 29th May, 2013, 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 Deepak M. Mehta.

NOTICE TO MEMBERS

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

(iii) The appointment of Shri Deepak M. Mehta as Whole-time Director of the Company with effect from 1st August, 2013 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 7th August, 2013 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

	2012-13 (Rs/ Lacs)	2011-12 (Rs/ Lacs)
Effective Capital	20,884.61	19428.62
Net Profit after Tax	1595.46	1414.51

[5] Export Performance & foreign exchange outgo:

Exports (FOB)	11060.12	6871.33
Foreign Exchange Outgo [net]	17800.64	14820.66

[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 Deepak M. Mehta:

[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 successful implementation of Expansion Project undertaken and growth of the Company.

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

	2012-13 (Rs/ Lacs)	2011-12 (Rs/ Lacs)
Salary	29.28	27.88
Perquisites	9.42	7.31
Commission	23.76	18.54
Contribution to Provident Fund & Provision for Gratuity	3.51	3.34
Total	65.97	57.07

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

[4] Job Profile and his suitability: Having regard to the 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 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 1-08-2013 to 31-07-2016.

[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 fully paid Equity Shares of Rs. 10/- each, amounting to 4.90% of the paid up capital of the Company. He is related to Shri Mahendra R. Mehta, CMD and Shri Milan M Mehta, Managing 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 01.04.2012 to 31.03.2013, 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 2012-13:

[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.

**NOTICE TO MEMBERS****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 [The Act].****Agenda Item No. 7:****Re-Appointment of Shri Nirbhay D. Mehta, as Manager (Commercial and Finance) of the Company:**

Shri Nirbhay Deepak Mehta is the son of Shri Deepak M. Mehta, Whole-time Director of the Company. He has completed his studies in Business Management at University of Illinois, USA and also had training of about 2 months at Ernst & Young Management Consultants, in Mumbai. He was appointed as Manager (Commercial and Finance) in the Company by the Remuneration-cum-Selection Committee and the Board of Directors at their meetings held on 13th May, 2010, for a period of three years.

Shri Nirbhay D. Mehta holds 444825 (3.85%) Equity Shares of the Company and is a part of the Promoter Group.

The Remuneration-cum-Selection Committee and the Board of Directors at their Meetings held on 29th May, 2013 have re-appointed Shri Nirbhay D. Mehta as a Manager (Commercial and Finance) in the Company for a period of three years on the terms and conditions given below.

The Re-appointment of Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company will take effect from 1st August, 2013, subject to the consent of the member of the Company in this regard at the ensuing Annual General Meeting to be held on 7th August, 2013, by a Special Resolution and shall also be subject to the approval of the Central Government. The following remuneration is proposed to be paid to Shri Nirbhay D. Mehta for a period of three years.

	01-08-2013 to 31-07-2016
	Rupees
Basic Salary Per Month	1,00,000
Conveyance Allowance Per Month	6,000
Medical Allowance Per Month	1,000
Total for the year	12,84,000
Add:	
Leave Travel Allowance	72,000
Bonus	1,20,000
Total Remuneration per Annum	14,76,000

Company will also pay contribution to Provident Fund for Shri Nirbhay D. Mehta.

The Other Terms and conditions for the proposed appointment of Shri Nirbhay D. Mehta are as under :

1. Shri Nirbhay D. Mehta will also be entitled to Retirement Gratuity as per company's rules.
2. Shri Nirbhay D. Mehta will also be entitled to the Leave benefits and encashment of leave as per company's rules.
3. The services of Shri Nirbhay D Mehta can be terminated by giving Thirty (30) days' notice in writing by either party.
4. Any revision in the remuneration payable to Shri Nirbhay D Mehta will be subject to the prior consent of the Company by a Special Resolution in the General Meeting and approval of the Central Government.

MEMORANDUM OF CONCERN OR INTEREST IN ITEM NUMBER 6 & 7 OF THE NOTICE OF THE MEETING:

Shri Mahendra R Mehta - Chairman and Managing Director, Shri Milan M. Mehta - Managing Director and Shri Deepak M. Mehta - Whole-time Director are relatives of each other and also relatives of Shri Nirbhay D. Mehta and therefore they may be deemed to be concerned with or interested in the Special Resolutions at item No. 6 & Item No. 7 of the accompanying Notice of Meeting of shareholders to be held on 7th August, 2013, as these items relate to Re-appointment of Shri Deepak M. Mehta as Whole-time Director and appointment and remuneration of Shri Nirbhay D. Mehta.

Save as aforesaid, none of other Directors are in any way concerned or interested in the Resolution at item No. 6 & 7 of the accompanying Notice of Meeting of shareholders to be held on 7th August, 2013.

DOCUMENTS OPEN FOR INSPECTION:

The following documents in relation to Item Nos. 6 & 7 of the accompanying Notice 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:

- 1] Letter of appointment dated 29th May, 2013, issued to Shri Deepak M. Mehta, referred to in the item No. 6 of the accompanying Notice.
- 2] Letter of appointment, issued to Shri Nirbhay D. Mehta, referred to in the item No. 7 of the accompanying Notice.

Your Directors commend the proposed Resolutions at item Nos. 6 & 7 of the Agenda as Special Resolutions for your approval.

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
29th May, 2013.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Twenty Fourth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March, 2013.

1. Financial Results :

	(Rupees in Lacs)	
	2012-13	2011-12
Sales (including Excise Duty)	112779.45	104706.14
Less : Excise Duty	(15196.58)	(11527.51)
Sales (Net of Excise Duty)	<u>97582.87</u>	<u>93178.63</u>
Operating Profit	4025.83	3776.78
Add : Other Income	<u>126.30</u>	<u>76.35</u>
Profit before Financial Charges, Depreciation & Taxes	4152.13	3853.13
Financial Charges	(506.85)	(595.33)
Depreciation	(1257.41)	(1293.52)
Profit before Taxes & Extra-ordinary Items	2387.87	1964.28
Extra-ordinary Items	-	-
Profit before Taxes	<u>2387.87</u>	<u>1964.28</u>
Less:		
Provision for Tax	(792.41)	(549.78)
Profit after Tax	<u>1595.46</u>	<u>1414.50</u>
Add : Balance brought forward from last Account	<u>363.53</u>	<u>352.22</u>
Balance available : (A)	<u>1958.99</u>	<u>1766.72</u>
Which the Board of Directors have appropriated as under :		
(i) Transfer to General Reserve	1150.00	1000.00
(ii) Proposed Total Dividend @ Rs. 4.00 for the year (Previous year @ Rs. 3.00), which includes Interim Dividend @ Rs. 2.50 (Rs. 1.80), per equity share.	462.54	346.91
(iii) Corporate Tax on Dividend	<u>76.37</u>	<u>56.28</u>
(B)	<u>1688.91</u>	<u>1403.19</u>
Balance carried forwarded in Profit & Loss Account (A) – (B)	<u>270.08</u>	<u>363.53</u>

2. Dividend

At the Meeting held on 11th February, 2013, the Directors had recommended an interim dividend @ Rs. 2.50 (25%) per equity share of Rs. 10/- each, fully paid, for the financial year 2012-13, since paid. The Directors are pleased to recommend final Dividend @ Rs. 1.50 (15%) per equity share of Rs. 10/- each, fully paid, for the year ended 31st March, 2013, making total dividend recommended of Rs. 4/- (40%) per Equity Share of Rs. 10/- each, fully paid, subject to the approval of Shareholders at the ensuing Annual General Meeting.

3. Operations

Our total production during the year was almost the same as that of previous year. The overall gross sales income was Rs. 1128 Cr [1047 Cr] and income, net of taxes, Rs. 976 Cr [932 Cr]. The increase in the Net Sales Income is due to higher rates of inputs consumed.

For the year, the PBDIT is 4152.13 [3853.13], Finance Charges 506.85 [595.33], Depreciation 1257.41 [1293.52], PBT 2387.87 [1964.28], Provision for Tax 792.41 [549.78], and PAT 1595.46 lacs; which is more than the previous year. Our Reserves and Surplus (excluding Revaluation) are about Rs. 19063 [17993] at the end of March 2013.

During the fiscal, the overall economic and Industrial climate was unfortunately sluggish. Electrical Equipment Manufacturing Industry registered negative growth.

High rates of interest, increase in the cost of our primary inputs, substantial volatility in the foreign exchange, inflation has resulted in the contraction of the production of the domestic Capital-Goods-sector. Due to high cost of proper grade fuel, and issues pertaining to environmental clearances, the Power-sector registered low growth.

Notwithstanding whatever has been stated in the foregoing paragraphs, 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 and has initiated remedial measures. 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. India will require to increase its electricity generation capacity by about four times within the next twenty years so as to be able to achieve the projected annual GDP growth of about 7% or so. Besides the Power-sector, infrastructure projects such as airports, metros etc. are expected to generate good demand for electrical equipment. However, the industry will require a level playing field and safeguards against surge of imports as a result of various Trade Agreements signed by our Country. Inherent distortions arising from rapidly increasing Trade Deficit need prompt remedial actions.

Despite an adverse economic climate in the country, your Company has performed well during the year under review.

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

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

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 are registered with both National Securities Depository Ltd., Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023, Under ISIN No. INE372C01011 common for both.