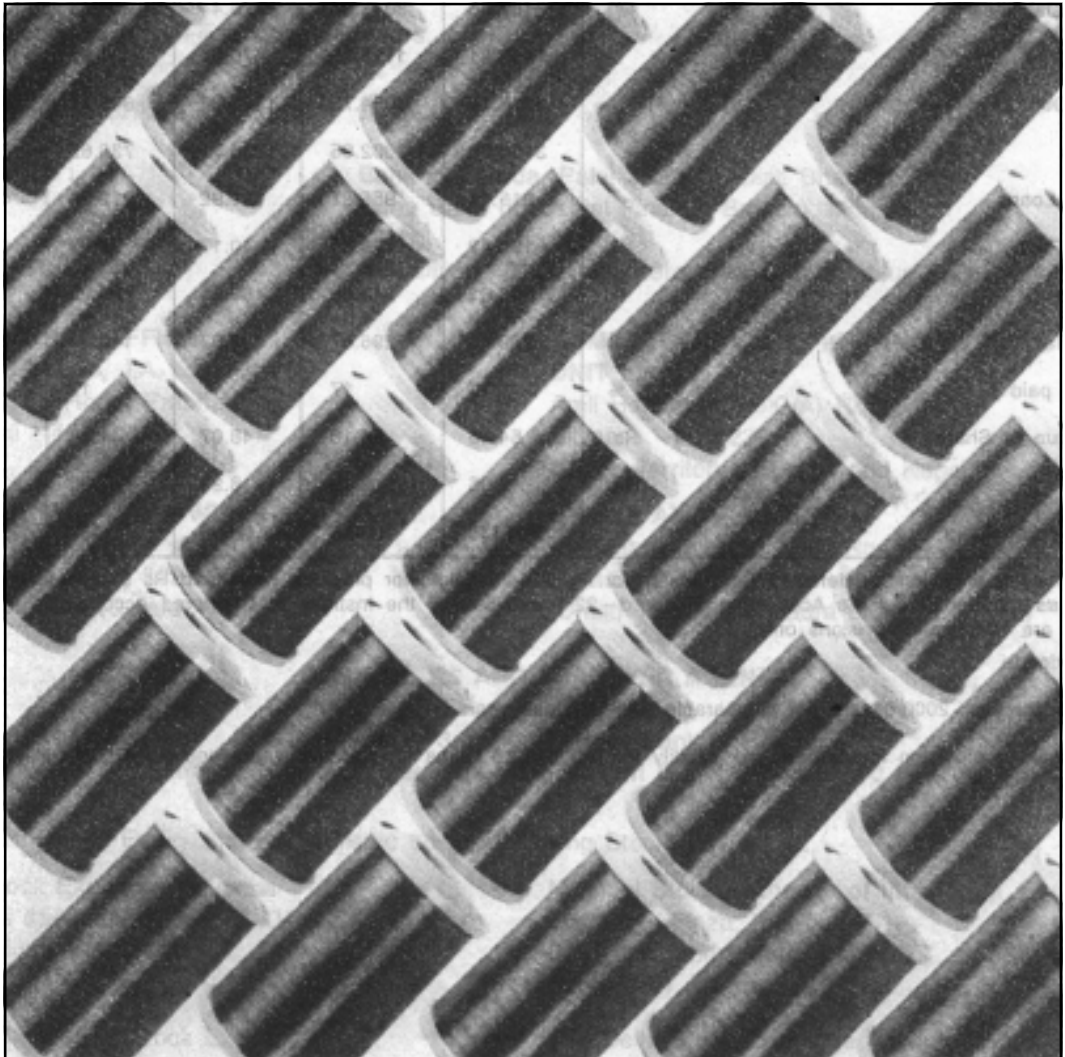


14th
Annual Report
2002-2003



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

Financial Highlights

	2002/03	2001/02	@ 2000/01	1999/00	1998/99
Equity Share Capital (Paid up)	1046.36	1046.36	1046.36	485.22	485.22
Reserves & Surplus	5416.43	4651.37	4620.72	1846.73	1507.89
Provision for Deferred Tax Liability for the year	110.76	97.30	-	-	-
Current Assets	6663.48	6037.27	5227.21	2040.87	1473.39
Current Liabilities	3658.54	3182.86	3018.01	1476.44	982.43
Inventories	1742.37	1258.21	1126.65	470.51	437.67
Sundry Debtors	3408.22	3335.15	3054.75	1383.22	903.34
Creditors	3339.01	3154.69	2802.95	1234.71	736.69
Secured Loans	645.15	815.41	955.81	121.92	212.24
Interest Paid	89.10	180.42	125.84	40.17	68.67
Depreciation	326.97	308.01	243.96	109.25	99.95
Income Tax paid	465.54	269.46	296.67	132.87	113.69
Dividend paid	% 25	17	17	17	17
Book Value of Shares	# Rs. 61.77	54.45	54.15	48.07	41.08
E.P.S.	Rs. 10.13	8.05	9.19	8.93	7.30
No. of Shareholders	**11041	**11338	11455	11599	12489

** Approximate

@ Figures subsequent to year 2000/01 are after amalgamation.



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

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

* Independent, Non-Executive Directors.

COMPANY SECRETARY : Mr. Sanjaya Kunder

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

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

REGISTERED OFFICE :

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

PALEJ UNIT: ATLAS WIRES

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

ADMINISTRATIVE OFFICE AND WORKS :

UNIT I:

Amli Hanuman (66KVA) Road,
Silvassa - 396 230.
(Union Territory of Dadra and Nagar Haveli)

UNIT II: ATLAS WIRES

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

REGISTRAR AND TRANSFER AGENTS:

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

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

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

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

The Ahmedabad Stock Exchange,
Kamdheni Complex, Opp. Sahajanand
College, Panjarapole, Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.,
DSE House, 3/1 Asaf Ali Road,
New Delhi - 110 002.

NOTICE TO MEMBERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Precision Wires India Limited will be held at the Hall of The Mysore Association, 1st Floor, 393, Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai-400 019 on Monday the 22nd September, 2003 at 3.00 P.M to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Shri Vijay M. Crishna who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Deepak M. Mehta who retires by rotation and is eligible for reappointment.
- 5) To appoint S R Divatia & Co., Chartered Accountants, as the auditors of the company and fix their remuneration.
- 6) To consider and, if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and pursuant to clause 5.2 and all other applicable provisions of the Securities and Exchange Board Of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as “The Delisting Guidelines”) (including re-enactment or modifications of the Delisting Guidelines for the time being in force) and subject to Securities Contracts (Regulations) Act, 1956 and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions, consents and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “The Board” which term shall be deemed to include any committee constituted or to be constituted by the Board), the consent of the company be and is hereby accorded to the Board to delist the equity shares of the company from both or any of the Stock Exchanges at Ahmedabad and/or New Delhi (hereinafter referred to as “the Delisting Stock Exchange”) on such terms and conditions and in such manner as may be considered desirable and expedient by the Board in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things, including filing of applications and other documents with the Delisting Stock Exchange, as it may in its absolute discretion deem necessary, expedient, usual or proper or desirable and to settle all questions, difficulties or doubts whatsoever that may arise in regard to the aforesaid voluntary delisting of the Equity shares, as it may in its absolute discretion deem fit without being required to seek any further approval of the Members or otherwise to the end and intent that

the Members shall be deemed to have given their approval expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers which may be so delegated by law, to any of its Committee or Officer of the Company, to give effect to the aforesaid Resolution.”

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

“RESOLVED THAT in supersession of the Resolution passed at the Extraordinary General Meeting of the Members held on 23rd March, 1996, consent of the Company be and is hereby accorded, pursuant to Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board Of Directors may, in its discretion, think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however, the sums so borrowed and, remaining outstanding on account of principal shall not, at any time, exceed Rs.100 Crores (Rupees One Hundred Crores only).

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, of the Companies Act, 1956 read with and in accordance with the conditions specified in Schedule XIII to the Companies Act 1956 as amended to date and in supersession of the resolution at item no. 8, passed by the members at their Annual General Meeting held on 28th September, 2002 and in supersession of the resolution at item no.7, passed by the members at their Annual General Meeting held on 26th September, 2001 and in supersession of the resolution at item no. 1 passed by the members of the erstwhile Atlas Wires Limited at their Extra Ordinary General Meeting held on 30th August, 1999 and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves of the re-appointment of Shri Mahendra R. Mehta, as Chairman and Managing Director of the Company, for a period of five years with effect from 1st October, 2003 to 30th September 2008 on remuneration and the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft appointment letter, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which draft appointment letter is hereby specifically approved and sanctioned with the liberty to the Board of

NOTICE TO MEMBERS

Directors (which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Mahendra R. Mehta within and in accordance with and subject to the limits and conditions prescribed in the 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 and 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 where in any financial year of the company during the currency of tenure of Shri Mahendra R. Mehta as Chairman and 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 in the event of any statutory amendments or modifications or relaxation by the Central

Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, or increase the remuneration including salary, commission, perquisites, allowances etc within such prescribed limits or ceiling and the aforesaid appointment letter to Shri Mahendra R. Mehta be suitably amended to give effect to such modifications, relaxations or variation without any further reference to the Company.

RESOLVED FURTHER THAT the Resolutions passed at the Annual General Meetings held on 26th September 2001 and on 28th September, 2002 and also the Resolution passed by the erstwhile Atlas Wires Limited at the Extra Ordinary General Meeting held on 30th August, 1999 in respect of appointment and remuneration of Shri. Mahendra R. Mehta as Managing Director of the Company intended to be superseded hereby shall cease to have effect upon this resolution becoming effective.

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 consider necessary, expedient or desirable in the best interest of the Company, for the purpose of giving effect to this Resolution.”

By order of the Board

Sanjaya Kunder
Company Secretary

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

Mumbai,
28th June 2003.

Notes :-

- 1) An Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ("the Act") in respect of business under Item Nos. 6 to 8 and relevant details in respect of Item Nos. 3 and 4 pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 12th September, 2003 to Monday, the 22nd September, 2003 both days inclusive.
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services, Satam Estate, 3rd floor, above Bank of Baroda,

Cardinal Gracious Road, Andheri (East), Mumbai-400 099, the Registrar and Share Transfer Agents of the company.

- 5) In accordance with the provisions of Section 205A of the Act, the Company has transferred unclaimed dividend relating to the year ended 31st March, 1995, to the General Revenue account of the Central Government. Members who have valid claims to the unclaimed dividend referred to above may claim the same from the Central Government in the prescribed manner.
- 6) Pursuant to the provision of Section 205A and 205C of the Companies Act, 1956, as amended to date, dividends for any financial year which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not yet encashed the dividend warrant(s) so far for the financial year ended 31st March, 1996 or any subsequent financial years are requested to send their claims to the Company at its Registered Office. It may also be noted that once unclaimed dividend is transferred to the said fund of the Central Government, as above, no claim shall lie in respect thereof.

NOTICE TO MEMBERS

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

NAME OF THE DIRECTOR	Shri Mahendra R. Mehta	Shri Vijay M. Crishna	Shri Deepak M. Mehta
DATE OF BIRTH & AGE	14.04.1929, AGE: 74 YEARS	08.03.1945, AGE: 59 YEARS	20.09.1956, AGE : 46 YEARS
DATE OF APPOINTMENT	Since Incorporation	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting.	Since Incorporation
EXPERTISE IN SPECIFIC FUNCTION	Over 49 years' of rich experience in the Industry.	Expertise in Engineering and I.T. Industry and extensive managerial experience.	Over 22 years' of rich experience in the Industry.
QUALIFICATIONS	—	B.A (Economics)	B Com.
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31 ST MARCH 2003	Galvawire Agencies Pvt. Ltd.	(a) Statomat Special Machines (India) Pvt Ltd. (b) Lawkim Pvt. Ltd. (c) Godrej & Boyce Mfg. Co.Ltd. (d) Godrej Industries Ltd. (e) Godrej Foods Ltd. (f) Godrej Agrovet Ltd. (g) Naoroji Godrej Centre for Plant Research (h) Godrej Photo-Me Ltd. (i) Lawkim Upstream Contact Management Pvt. Ltd. (j) Godrej Appliances Ltd. (resigned as director w.e.f. 31.03.2003)	Galvawire Agencies Pvt. Ltd
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 ST MARCH 2003	Nil	Member of Shareholders and Management Committee of Godrej Industries Ltd.	Member of Share Transfer & Shareholders Grievance Committee of the Company

ANNEXURE TO NOTICE

Explanatory statement under Section 173 of the Companies Act, 1956.

Item 6

The Securities and Exchange Board of India (SEBI) has issued new Guidelines u/s 11(1) of SEBI Act, 1992 read with Sub Section (2) of Section 11A of SEBI Act, 1992 on Delisting of Securities vide SEBI (Delisting of Securities) Guidelines, 2003 which inter alia provides that the Company may voluntarily delist its shares from Stock Exchange. Under Clause 5.2 of the said Guidelines, it further provides that an exit opportunity need not be given in cases where Company's Securities continue to be listed on a Stock Exchange having nation wide trading terminals namely the Stock Exchange, Mumbai, the National Stock Exchange and any other Stock Exchange, which may be specified by the SEBI.

Presently, the Company's Equity Shares are listed at the following Stock Exchanges in India:

- 1) The Stock Exchange, Mumbai (BSE) (the Regional Stock Exchange)
- 2) The National Stock Exchange of India Limited, (NSE) Mumbai.
- 3) The Stock Exchange, Ahmedabad.
- 4) The Delhi Stock Exchange Association Limited.

The bulk of the trading in the Company's Equity Shares takes place only on the BSE and the NSE. According to the information available with the Company, there has been no trading in the Company's shares on the Ahmedabad Stock Exchanges from April 98 onwards to till 31st March 2003 and on the Delhi Stock Exchange from the date of listing till 31st March 2003.

It is also observed that the listing fee paid to these two Stock Exchanges is disproportionately higher and practically there is no trading on Ahmedabad and Delhi Stock Exchanges.

NOTICE TO MEMBERS

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 26th December, 2000.

As a part of the cost reduction measure, the resolution will enable the company to de-list its equity share from Ahmedabad and Delhi Stock Exchanges.

The Company had already obtained the Shareholders approval for delisting the Equity Shares from both or any of Stock Exchanges at Ahmedabad and/or New Delhi at the Twelfth Annual General Meeting of the Members held on 26th September, 2001.

However, in view of the new Guidelines issued by the SEBI on Delisting of Securities vide SEBI (Delisting of Securities) Guidelines, 2003 a fresh approval, if any, required from members' is being sought by a Special Resolution as required under the said Guidelines for enabling voluntary delisting of its securities from the aforesaid Stock Exchanges.

The Company will make a separate announcement of Delisting of Securities as may be required by the respective Stock Exchanges. The proposed delisting of the Company's securities from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited, as and when the same takes place, will not adversely affect the investors as the Company's securities will continued to be listed on BSE (which is the Regional Stock Exchange of the Company) and NSE.

The proposed delisting is in the interest of the Company and your Directors recommend the Special Resolution for approval of members. None of the Directors of the Company is concerned or interested in the Resolution.

Item 7

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the approval of the Members in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

In accordance with the resolution passed by the members of the company in Extraordinary General Meeting held on 23rd March 1996, the amount outstanding consequent to the borrowings by the Board of Directors on behalf of the company cannot exceed Rs 50 Crores (Rupees Fifty Crores) at any time.

In order to meet funding requirements from time to time, in view of the growth of the business, it may be necessary for the Company to authorize the Board Of Directors of the Company to borrow upto a sum not exceeding Rs.100 Crores (Rs.One Hundred Crores only) which may exceed the Paid up Capital and Free Reserves of the Company. The proposed Resolution is enabling in nature.

Your Directors recommend the Ordinary Resolution for approval of members.

None of the Directors of the Company is concerned or interested in the Resolution.

Item 8

The resolution at item no. 8 of the Notice seeks approval of

the Members in respect of the reappointment and payment of remuneration to Shri Mahendra R. Mehta, the Managing Director of the Company. The present term of office of Shri Mahendra R. Mehta as Managing Director will expire on 31st August 2004. In the terms of scheme of amalgamation of Atlas Wires Limited with the company sanctioned by the High Courts of Mumbai and Gujarat under section 391 to 394 of the Companies Act, 1956 and pursuant to the provisions of sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and in accordance with the Schedule XIII to the Companies Act, 1956 the appointment of Shri Mahendra R. Mehta as Managing Director of the company was approved at the Annual General Meeting of the Company held on 26th September, 2001 for the balance period of his appointment made by erstwhile Atlas Wires Limited as Chairman and Managing Director.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of Shri Mahendra R. Mehta as Chairman and Managing Director with a view to align such package with the best practices prevailing in the Corporate World and came to a conclusion that a substantial revision was called for. After consideration the Remuneration Committee decided to revise the remuneration payable to Shri Mahendra R. Mehta including increasing his salary from Rs. 1,50,000/- (Rs One Lakh Fifty Thousand) per month to Rs. 2,00,000/- (Rs Two Lakhs).

In view of such revision his existing appointment, expiring on 31st August, 2004 be mutually terminated and he be re-appointed for a fresh term of five years from 1st October 2003 on the remuneration, terms and conditions set out in the Draft of the Appointment Letter.

Accordingly, a Letter of Termination will be issued by mutual consent to Shri Mahendra R. Mehta terminating the Terms of Appointment as contained in the Letters of Appointment dated 30th August, 1999 issued by erstwhile Atlas Wires Ltd, and Letter dated 22.06.2002 issued by the Company, without any term of provision as to the compensation in relation to such appointment and such termination shall become effective and operative only after his above mentioned re-appointment as Chairman and Managing Director of the Company, becoming effective and operative for a period of five years from 1st October 2003 in accordance with law.

The Principal terms and conditions as contained in the Draft of the Appointment Letter, proposed to be issued to Shri Mahendra R. Mehta, are as under :

Salary

Rs. 2,00,000/- (Rupees Two Lakh only) per month.

Period

For 5 years w.e.f.01.10.2003

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 309(5) of the Companies Act, 1956, subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, subject to maximum commission payable being restricted to 50% of the annual salary, or such higher commission as the Board of Directors

NOTICE TO MEMBERS

of the company may determine keeping in view the performance of the company in respect of each financial year. However, such higher commission shall not exceed the total annual salary for the year.

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

Perquisites

1. Housing:

The Chairman and Managing Director shall be entitled to rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Chairman and 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 family.

3. Reimbursement of gas, electricity, water charges and furnishings.

4. Leave travel concession for Shri Mahendra R. 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 5000/- per annum.

7. Provision of car for business as well as for personal purposes with driver.

8. Telephone & Internet connection at the residence for business as well as personal use.

9. Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.

10. Earned / Privilege Leave on full pay and allowances: As per Rules of the Company but not more than one month's leave for every eleven months of service shall be allowed.

Shri 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:

- 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.
- Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- Encashment of leave at the end of the tenure

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

In the event of loss or inadequacy of profits in any financial year of the Company during the currency of tenure of the Chairman and 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

- As long as Shri Mahendra R. Mehta is functioning as Chairman and 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.
- The Chairman and 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.
- 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.

In compliance with the provisions of Section 269, 309 and other applicable Provisions of the Companies Act 1956 the terms and conditions relating to his appointment and remuneration specified above are placed before the Members in the General Meeting for their approval.

Memorandum of interest

Shri Mahendra R. Mehta, Managing Director is concerned or interested in the resolution at the Item No 8 as also in the appointment letter referred to in the said item, as they relate to the terms of his own reappointment and remuneration.

Shri Milan M Mehta, Managing Director and Shri Deepak M. Mehta, Whole Time Director may be deemed to be concerned or interested in the above as they are the relatives, being, sons of Shri Mahendra R. Mehta.

Save as aforesaid, none of the other Directors is in any way concerned or interested in the Resolution at item No. 8 of the accompanying Notice.

The draft of the Letter of Appointment referred to in the resolution at Item No 8 of the accompanying notice and also the draft of the Letter of Termination as referred to above proposed to be issued to Shri Mahendra R. Mehta and Letter of Appointment dated 30.08.1999 issued by erstwhile Atlas Wires Ltd and Letter dated 22.06.2002 issued by the Company are open for inspection by the members at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturday.

Your Directors commend the resolution as Special Resolution for your approval.

By order of the Board

Sanjaya Kunder
Company Secretary

Registered Office:
Saiman House, J A Raul Street,
Off. Sayani Road, Prabhadevi,
Mumbai - 400 025
28th June 2003.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Fourteenth Annual Report of your Company, together with the audited accounts for the year ended 31st March 2003.

1. Financial Results

	Rupees In Lakhs	
	<u>2002-2003</u>	<u>2001-2002</u>
Sales (including Excise Duty)	19641.10	17141.58
Less : Excise Duty	(2919.89)	(2674.72)
Sales (Net of Excise Duty)	16721.22	14466.86
Operating Profit	2001.09	1663.12
Add: Other Income	51.66	34.03
Profit before Interest, Depreciation & Taxes	2052.75	1697.15
Interest	(89.10)	(180.42)
Depreciation	(326.97)	(308.01)
Profit before Taxes	1636.68	1208.72
Provision for Income Tax	(495.00)	(272.00)
Provision for Wealth Tax	(0.21)	-
Provision for Deferred Tax	(110.76)	(97.30)
Prior Years' Tax Adjustments	29.46	2.54
Profit after Tax	1060.17	841.96
Add: Balance brought forward from last Account	114.38	95.74
Balance available :	1174.55	937.70

Which the Board of Directors have appropriated as under:

(i) Proposed Dividend on Equity Shares for the year @ 25% (0)	261.59	0.00
(ii) Interim Dividend on Equity Shares for the year @ 0% (17)	0.00	177.89
(iii) Corporate Tax on Dividend	33.51	18.14
(iv) Transfer to General Reserve	675.00	627.29
	970.10	823.32
Balance carried forwarded to Profit & Loss Account	204.45	114.38

2. Dividend

The Directors are pleased to recommend a dividend @ 25% for the year ended 31st March, 2003, subject to approval of the Shareholders at the ensuing Annual General Meeting.

3. Operations

The comparative total production of Enamelled Copper Winding Wires during the year under review is higher by 16% to about 11851 MTs (including Job-Work) as against 10218 MT during 01-02 and consequently, sale's income is more. The demand from Domestic Electrical Equipment Sector which is the Principal consumer of your Company's products,

during the year was good. The interest out-flow is lower and there is a marginal increase in depreciation. The Closing Stocks are higher as Management apprehended delay and/or disruption in the supply of inputs due to VAT related controversy and also slow down in the movement of Finished Goods due to strike announced by the Truckers. However, build-up of inventory of inputs helped your company in averting the closure of the Plants during the early April 03 when Truckers went on indefinite strike.

During the year under review, the tax payment is substantially higher as the period for availing 30% exemption from payment of tax u/s 80 I A of the Income Tax Act for Unit I Silvassa ended last year.

Your Company is pursuing actively the modernization route by deploying Cash-Accruals.

Domestic and International competition further intensified and consequently, there was pressure on margins during the year under review. Export possibilities were therefore, explored continuously.

Our Principal Input is Copper and Import Duty thereon is very high (effective rate 31%) as compared to very low Tariff prevailing in SAARC -Middle East -Far East & other developing countries. Indo-Sri Lanka - Free -Trade-Agreement permits duty free Import of Enamelled Copper Winding Wires into India, though Import Duty on Copper in Sri Lanka is Nil, if used for producing Wires for Export to India. Therefore, Domestic Industry in India does not have level-playing -field. In the circumstances, either Import Duty on Copper needs substantial reduction, and/or, till such time, Import of Enamelled Copper Wires from SAARC countries should not be permitted. It is likely that such Imports may affect working of your Company.

Despite the above constraints, your Company has registered very satisfactory performance during the year under review.

4. Modernisation

Your Company continues to commit resources for modernisation at Silvassa Units in phases. Modern Plant & Equipment ordered during the year under review has been received, installed, erected and commissioned during April 03. Commercial production has started. Initial teething troubles are being attended to. Recently, an Order has been placed for one more Modern Plant which is likely to be received during March 04.

The Palej Unit has low Productivity and requires modernization. Before deploying capital for the purpose, important issues such as Productivity norms and Manpower rationalization need to be addressed early. Your Company has decided to pursue the various options available in this regard.

5. Listing / Dematerialisation of the Company's Equity Shares

The Equity Shares of your Company continued to be listed at the Stock Exchange, Mumbai, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company has paid the required annual listing fees.

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

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

6. Particulars of Employees:

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

7. Disclosure of particulars in the Directors' Report:

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

8. Auditors

The Auditors, M/s S.R.Divatia & Company, Chartered Accountants, Mumbai, who had been Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is, proposed to reappoint them to examine and audit the accounts of the Company for the financial year 2003-04. Messers S. R. Divatia & Co, Chartered Accountants have under section 224(1B) of the Companies Act, 1956 furnished certificate of their eligibility for their reappointment.

9. Corporate Governance:

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

10. Directors' Responsibility Statement

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

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

11. Directors

The Remuneration Committee of the Company's Board of Directors at their Meeting held on 28.06.2003 reviewed the remuneration package of Shri Mahendra R. Mehta as Chairman and Managing Director with a view to align such package with the best practices prevailing in the Corporate World and came to a conclusion that a substantial revision was called for. After consideration the Remuneration Committee recommended to revise the remuneration payable to Shri Mahendra R. Mehta.

Keeping in line with this recommendations it is proposed to terminate by mutual consent the existing appointment of Shri Mahendra R. Mehta, Managing Director and Re appoint him on a fresh term of 5 years w.e.f. 01.10.2003 on revised remuneration. Appropriate Resolution for his re-appointment is proposed in the Notice convening the Annual General Meeting.

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

12. Acknowledgements

The Directors wish to place on record their deep appreciation of the continued assistance and co-operation from Bank of Baroda, the Administration of Union Territory of Dadra and Nagar Haveli, Palej Gram Panchayat and all the Staff and employees of the Company.

For and on behalf of the Board,

Mahendra R Mehta,
Chairman and Managing Director

Mumbai

Dated 28th June, 2003.

DIRECTORS' REPORT
ANNEXURE I TO DIRECTORS' REPORT

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2003

Name	Age Years	Qualifications	Designation	Date of Commencement of employment	Experience Years	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	74	—	Chairman & Managing Director	June 1980	51	2,766,678 #	Chairman & M.D Of Erstwhile Atlas Wires Ltd.
Shri Deepak M.Mehta	46	B.Com	Whole-time Director	January 1989	23	3,064,152	Whole time Director Of Erstwhile Atlas Wires Ltd.
Shri Milan M Mehta	40	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	18	2,952,510 #	Atlas Wires Ltd., Technical Director

Notes:

- (1) Please refer Para 6 of the Directors' Report
 - (2) All the above persons are relatives of each other
 - (3) The above employments are contractual in nature.
 - (4) Remuneration (Gross) includes Salary, Commission, taxable value of perquisites and Company's contribution to Provident Fund.
- # However as Shri Mahendra R. Mehta and Shri Milan M. Mehta Managing Directors each, hold more than 5% of the Paid-up Share Capital of the Company, are ineligible on this ground for entitlement of gratuity payment through the Trust created, provision in the current year, therefore, has been made for the gratuity payable to them at 15 days salary for the each year completed, being Rs. 8,65,385/- and Rs. 2,59,616/- for Shri Mahendra R. Mehta and Shri Milan M. Mehta respectively, which is not included above.

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

- A. Energy consumption details in form "A" have not been prescribed for the class of industry to which your Company belongs.
 1. The Company is keeping a continuous check on energy consumption and areas are being explored for further improvement.

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

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Special areas in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D 3. Future plan of action 4. Expenditure on R & D | Change over to LSD from HSD at our Palej Unit.

Marginal cost reduction. However, due to high Entry tax levied on LDO, Company has, for the time-being, called off the efforts in this direction.
Product Improvement.
Nil |
|--|--|

Technology Absorption, Adaptation and Innovation:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Efforts, in brief, made towards technology absorption and innovation 2. Benefits derived as a result of the above efforts 3. Information about imported Technology | The Company continues to Modernise. Training of Manpower for technology absorption has been continuously undertaken.

Continuous Modernisation and improvement in Quality Imported Technology for some specific products received during earlier year has been absorbed satisfactorily. |
|---|---|

3. Foreign Exchange Earnings and Outgo:

Earnings	Rs. 11.89 lakhs. Rs.(0.13) lakhs
Outgoings	Rs. 852.97 Rs. (462.48) lakhs

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

**CORPORATE GOVERNANCE REPORT FOR THE YEAR
1ST April 2002 TO 31ST MARCH 2003**
(ANNEXURE III TO THE DIRECTORS' REPORT)
(as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges)
1. A brief statement on Company's Philosophy on code of Corporate Governance:

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

2. Board of Directors:

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

Name of Director	Designation	Category	Number of Directorships in other companies*	Number of Board Committee membership held in other companies	Meeting of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R Mehta	Chairman and Managing Director	Promoter, Executive	—	—	5	5	Yes
Shri Milan M Mehta	Vice-Chairman and Managing Director	Promoter, Executive	—	—	5	5	Yes
Shri Deepak M Mehta	Whole-time Director	Promoter, Executive	—	—	5	5	Yes
Shri Vijay M Crishna	Director	Non-Executive, Independent	6	2	5	0	No
Shri P N Vencatesan	Director	Non-Executive, Independent	3	2	5	4	Yes
Shri P R Merchant	Director	Non-Executive, Independent	2	4	5	5	Yes
Shri A P Kothari	Director	Non-Executive, Independent	14	—	5	5	No

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

During the year

- 5 Meetings of the Board of Directors (BoD) were held, on 10.05.2002, 22.06.2002, 29.7.2002, 30.10.2002 & 25.1.2003 and the gap between two meetings did not exceed four months.
- Annual General Meeting (AGM) of the company was held on 28.9.2002.

3. Audit Committee:

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

Brief Description of Terms of Reference are as under:

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

During the year, 4 Meetings of the Audit Committee of the Board of Directors were held, on 22.6.2002, 29.7.2002, 30.10.02 & 25.1.2003.

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

Name of the Members	Category	Audit Committee Meeting	
		Held	Attended
Shri P N Vencatesan, Chairman (Chartered Accountant)	Independent, Non –Executive	4	3
Shri P R Merchant (Retired Senior Banker)	Independent, Non –Executive	4	4
Shri A P Kothari (Technocrat-Entrepreneur)	Independent, Non –Executive	4	4

Shri P.N.Vencatesan and Shri P R Merchant, the Chairman and the Member of the Audit Committee respectively, were present at the Annual General Meeting held on 28.09.2002

4. Remuneration Committee:

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

DIRECTORS' REPORT

The terms of reference of the Remuneration Committee include to determine Company's policy on specific remuneration packages for Executive Directors, including pension rights and compensation payment, after taking into account the financial position of the Company, trends in the industry, appointee's qualifications, experience, past performance, past remuneration etc., and considering interest of the company and shareholders.

During the year, one meeting was held on 10th May,2002,

Details of remuneration to all the Directors are as under:

Name of Director	Gross Remuneration to Executive Directors				Total	Remuneration to Non-Executive Directors
	Salary	Commission as per section 198 of Company's Act	Perquisites (Excluding Contribution to PF & Provision for Gratuity)	Contribution to PF & Provision for Gratuity		
	Rs.	Rs.	Rs.	Rs.		
Shri Mahendra R Mehta	1550000	775000	255678	*1051385	3632063	Nil
Shri Milan M Mehta	1600000	800000	360510	**451616	3212126	Nil
Shri Deepak M Mehta	1520000	760000	601752	182400	3064152	Nil
Shri Vijay M Crishna	Nil	Nil	Nil	Nil	Nil	Nil
Shri P N Vencatesan	Nil	Nil	Nil	Nil	Nil	49,000
Shri P R Merchant	Nil	Nil	Nil	Nil	Nil	38,000
Shri A P Kothari	Nil	Nil	Nil	Nil	Nil	38,000

* Includes Provision for Gratuity of Rs.8,65,385/-,

** Includes Provision for Gratuity of Rs.2,59,616/-

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

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

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

Number of complaints received from the Investor 25
From 01.04.2002 to 31.03.2003 comprising
Non-receipt of Dividend warrants and
non receipt of Shares sent for transfer

Number not solved to the satisfaction of the Investors as on 31.03.2003 Nil

Number of pending share transfers as on 31.03.2003: *4

* Transfers lodged during March 03. Approved and effected during April 04.

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

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

6. General Body Meetings:

The Location and time of the last three Annual General Meetings held were as follows:

Financial Year	Date	Time	Location
2001-02	28.9.2002	3.00 p.m.	Hall of Mysore Association, 1 st floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle) Matunga(Central Railway, Mumbai-400019.
2000-01	26.9.2001	3.00 p.m.	Hall of Dr. M. Visvesaraya Smarak Mandir, Mogul Lane, Near Matunga (Western) Railway Station, Mumbai 400 016.
1999-00	23.9.2000	3.00 p.m.	Hall of Dr. M. Visvesaraya Smarak Mandir, Mogul Lane, Near Matunga (Western) Railway Station, Mumbai 400 016.

DIRECTORS' REPORT

No Special Resolutions, requiring voting through postal ballots were put through last year and no such resolutions are proposed to be put through at the ensuing Annual General Meeting of the Company.

7. Disclosures:

- A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large :-

—Transactions with related parties as per requirements of Accounting Standard -18 are disclosed in Notes to Accounts. None of these transactions have potential conflict with interest of the Company at large.

- B. Details of non-compliance by the Company, penalties imposed, strictures passed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years - NIL

8. Means of communication:

The quarterly / half yearly / annual unaudited / audited financial results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

The quarterly financial statements, Corporate governance reports & quarterly shareholding pattern statements are also available on the EDIFAR website.

Whenever required advance intimation covering vital information of interest to Shareholder is conveyed to Stock Exchanges.

The Results were published in the Free Press Journal and vernacular "Navshakti" news papers. Other Communications with shareholders take place through individual notices of Annual / Extra Ordinary General Meetings, along with the Agenda and Explanatory Statements thereto.

The Management Discussion and Analysis Report is attached with the Directors' Report in the Annual Report.

9. General Shareholder Information:

Annual General Meeting of year 2003

Day, Date month & Time:

Monday, 22nd September, 2003, At 3.00 PM

Venue:

The Hall of Mysore Association,
1st Floor, 393, Bhaudaji Road,
Near Maheshwari Udyan (King Circle), Matunga,
(Central Railways) Mumbai – 400 019.

Financial Calender for 2003-04 (tentative):

Financial Results for

First Quarter 4th Week of July,2003

Second Quarter 3rd /4th Week of October,2003

Third Quarter 3rd/4th Week of January 2004

Audited Annual Results 4th Week of June 2004

Dates of book closure: from 12th September 2003 to 22nd September 2003 both days inclusive

Dividend payment date:

on or before 20th October, 2003, subject to approval of Members at the ensuing Annual General Meeting, at 25% p.a. i.e. Rs.2.50 per fully paid equity share of Rs.10/- each.

Listing on Stock Exchanges & Stock Codes:

The Stock Exchange, Mumbai (BSE) (523539)

National Stock Exchange of India Ltd PRECWIRES

The Stock Exchange, Ahmedabad 45960/PRECIS

The Delhi Stock Exchange Association Ltd File No. 6260

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2002-03.

Market Price Data:

Month & Year	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
Apr 02	18.05	15.25	18.80	15.30	3538.49	3296.88
May 02	21.40	15.10	22.70	14.10	3478.02	3097.73
Jun 02	27.90	17.00	29.00	14.70	3377.88	3148.57
Jul 02	30.50	20.25	30.00	21.35	3366.74	2932.35
Aug 02	22.00	18.50	23.90	18.50	3185.08	2931.78
Sep 02	20.30	16.80	22.95	16.75	3227.62	2973.97
Oct 02	19.50	16.75	22.00	14.75	3038.92	2828.48
Nov 02	23.40	17.00	21.40	15.05	3245.98	2928.63
Dec 02	20.95	17.00	23.20	17.55	3413.83	3186.62
Jan 03	22.75	18.20	22.05	18.05	3416.92	3199.18
Feb 03	20.00	18.30	20.50	18.55	3341.61	3218.37
Mar 03	20.00	17.70	19.70	17.60	3311.57	3039.83

Vide Letter dated 25th April 2003 and dated 22nd April, 2003, the Stock Exchange, Ahmedabad and The Delhi Exchange Association respectively, have informed that no transaction has taken place during the year.

DIRECTORS' REPORT
Registrars and Transfer Agents:

M/s Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099, Tel No. (022)28215168 / (022)28329828 Fax No. (022)28375646

Share Transfer System:

Transfers in physical form are lodged with the Company / Transfer Agents. The Transfer Agents have complete computerised facility for processing the transfers. After verification of the transfers lodged in physical form, the transfer agents prepare a statement of transfers which is reviewed by the Shareholders Grievances Committee of Directors and if in order, the transfers are approved, once in a fortnight. The share certificates duly transferred are then sent by the transfer agents to the transferees, which completes the transaction. In case of any complaint from shareholders for delay in transfer, the matter is actively followed up by the company with the transfer agents and the same is resolved to the satisfaction of the shareholder.

The Company also offers transfer-cum-demat facility for the convenience of the Investors.

Shareholding Pattern as on 31.03.2003.

Category	No. of Shares held	% of Shareholding
Promoters	7173357	68.55
Mutual Funds and UTI	2200	0.02
Banks, Financial Institutions & Insurance Cos.	900	0.01
Private Corporate Bodies	224524	2.15
Indian Public	2932442	28.03
NRIs/OCBs	109200	1.04
Directors & Relatives *	21000	0.20
GRAND TOTAL	10463623	100.00

* These shares are held by an Independent Directors and their relatives and they are not in control of the Company.

Distribution of holding as on 31.03.2003.

No. of Shares	No. of Shareholders		No. of Shares	
From To	Number	%	Number	%
Less than 501	10376	93.98	1411466	13.49
501 - 1000	338	3.06	279906	2.67
1001 - 2000	139	1.26	220569	2.11
2001 - 3000	65	0.59	168046	1.61
3001 - 4000	27	0.24	95779	0.91
4001 - 5000	22	0.20	104415	0.99
5001 - 10000	31	0.28	225591	2.16
10001 & above	43	0.39	7959451	76.06
Total	11041	100.00	10465223	100.00

Dematerialisation of shares and liquidity:

The Equity Shares of the Company are in compulsory demat segment. 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. 15.14 % of Company's Share Capital are dematerialised as on 31.03.2003

The Company's shares are regularly traded on the Stock Exchange, Mumbai.

Outstanding GDRs/ ADRs/ Warrants etc – N I L

Plant Locations:

Company's Plants are located at :

Unit I
& Unit II (ATLAS WIRES- SLIVASSA)
Amali Hanuman (66KVA) Road, Silvassa 396 230
(Union Territory of Dadra & Nagar Haveli)

PALEJ UNIT (ATLAS WIRES)
Plot No.3, GIDC, National Highway No.8
Palej 392 220 Dist Bharuch, Gujarat

Address for correspondence:

Registered Office :

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

Tel : 2436 0089 / 2437 6281

Fax : 2436 2593 / 2437 0687

Email : pwil@vsnl.com / awl@vsnl.com

MANAGEMENT DISCUSSION AND ANALYSIS
a. Industry structure and development:

The Company produces Winding Wire of Enamelled Copper, which are used in the manufacture of both rotating and static electrical equipments, such as electric motors, transformers, switch gears, instruments, consumer and industrial electronics, auto-electricals, refrigerators, air-conditioners, washing machines, domestic appliances, pumps and fans

DIRECTORS' REPORT

etc. The wire is also used by repairs and re-winding Sector. There are a number of players in the industry, many in SSI Sector. Therefore, the Markets & Capacities are fragmented in the Country. Due to some concessional rate of excise duty granted to SSI Sector, the competition is severe.

Your Company continues to remain the Market- leader.

b. Opportunities and threats:

The Company's low level of borrowing and good reserves helps it to continue to modernise and install technologically advanced manufacturing plants, thereby giving it an edge in the otherwise extremely competitive market. Power-Sector development is expected to increase demand of our product. On-going modernisation will help to cater to exports.

However, areas where Policy of the Government needs early change are; high import duty on our Principal Inputs i.e. Copper; import of Finished Goods from neighboring countries at Nil and / or at concessional rate of duty; non-flexible Labour –Laws; Infrastructural constraints and sectoral imbalance in Central Excise Duty Tariff structure.

c. Segment-wise or product-wise performance:

The Company's core activity is production and sales of only one product i.e. Winding Wire of Enamelled Copper. The production during the year increased from 10218 MT to 11851 MT i.e. by 16%. Overall performance of the Company including cash flow generated during the year is very satisfactory. The first phase of the Modernization program initiated at Silvasa Units during 1999-2000 has been implemented. An Order for one more Modern Plant has been placed and the same is likely to be received during March 04. Company is further looking & pursuing at the option of modernization of Plant & Process actively.

d. Outlook:

The Copper is our principal Input. Import Duty thereon continues to be very high (effective rate about 31%), as compared to nil/very low duty thereon in SAARC, FAR EAST, MIDDLE EAST countries and the WEST.

Further, our Government has allowed duty free Import of our Finished Product from SAARC countries where input duty on Copper is NIL, if consumed, for production of Wires for Exports to India. This is likely to cloud the short term prospect of our Industry. However, it is hoped that as the Government is aware of above distortions in the above tariff, appropriate remedial measures are taken.

While our performance during the year under review is very satisfactory, competition both Domestic & Overseas continues to be severe and there may be further squeeze on margin during the fiscal 03-04.

However, during next about 4 years or so, demand for our finished product from domestic Electrical Equipment Manufacturing Sector is likely to go up as Government has announced from time to time, firm to resolve to reduce further import duty on raw material substantially. By and large we are a power-deficit Nation, and massive capacity-addition in Electric Power-Sector is only matter of time. Development in Electric-power sector will consequently usher

in rapid industrialization and better living standard of people which is bound to increase demand for electrical equipment, appliances, white goods, air-conditioners, auto mobiles and consumer electronic products etc.

Overall outlook for the future is encouraging considering vast captive market in the country opens up more & more with better standard of living of the people.

e. Risks and concerns:

Please refer to point (b) and (d) above.

f. Internal control systems and their adequacy:

Commensurate with the size of your company and the nature of its business, your company has adequate internal control procedures and regular Internal Audit system. This has been confirmed by the Auditors in their report to the members.

g. Discussion on Financial performance with respect to operational performance:

During the year under review, quantitative production increased about 16% and consequently, there was increase in Income from Sales to Rs. 16721 lacs, net of taxes. The Interest out flow is lower by about Rs.90.00 lacs and there is an marginal increase in the depreciation. Closing Stocks are higher as Management apprehended delay and/or disruption in supply of Raw materials due to VAT related controversy and also slow down in the movement of Finished Product due to strike announced by the Transporter. But, it helped the Company in averting the close up during the period when Truckers go on indefinite strike.

Capital-Work-in Progress as at 31.03.2003 shown at Rs. 411.16 lacs in the Schedule 5, represent the Imported plant under erection & installation. The same was commissioned during the month of April 03. Provision for loss on scraping of Fixed Assets (machinery) for Rs. 68.31 lacs has been made in the Profit & Loss during the year.

As required under the Accounting Standard 22 prescribed by The Institute of Chartered Accountants of India, Deferred Tax liability of Rs. 110.76 lacs (Previous year Rs.97.30 lacs- Please refer to Schedule 4 of the Annual Accounts), has been provided during the year under review which, being non-cash provisions only, will not have any impact on Profits of the Company.

Competition is intense. There is squeeze on margins. Management has endeavored to contain the Operating Cost.Net Profit before Tax and Extra Ordinary items such as Interest, Depreciation etc. for the year under review, is very satisfactory. There is substantial increase in the Provision for Taxation (by more than Rs.210 lacs) as the period for 30% of exemption from payment of Income Tax u/s 80 I of the Income Tax Act, available to PWIL Unit I, was over at the end of Financial Year 31.03.2002.

The Company has continued it's Accounting Policy in respect of the Export benefit of Rs. 137.68 lacs available at the end of the year to ensure more appropriate matching of cost with the Revenues. Bad Debts for Rs.31.47 lacs has been written off during the year.

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

During the year, out of the Goods Lost in Transit valued at Rs. 6.03 lacs, Rs.2.18 lacs were recovered and balance Rs.3.85 lacs was written off. There is no overdue outstanding liability of the Bank and Institutions. As at 31st March 02, there was a Term Loan from Bank of Rs.437.66 lacs which stood at Rs.109.84 lacs as at 31st March 03 but as on the date of the Report, it is Nil. All the fiscal obligations have been discharged on due dates, without any default.

Despite various constrains, Financial performance of your Company during the year under review is very satisfactory.

h. Material Developments in Human Resources / Industrial Relations including number of people employed.

Your company has a stable and well-trained managerial, supervisory and shop-floor level work force. The company enjoys good relationship with its employees at all levels. Man-power training is being further intensified. Industrial relations during the year were satisfactory. The Company has decided to pursue the various options available including manpower rationalisation and productivity norms, for the high cost at Palej Unit.

A U D I T O R S ' R E P O R T

To the Members of PRECISION WIRES INDIA LIMITED,

1. We have audited the attached Balance Sheet of Precision Wires India Limited, as at 31st March 2003 the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the "Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss account and Cash

Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors, as on 31st March, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting Policies and Notes forming part of the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003 and
 - ii. in so far as it relates to the Profit and Loss account, of the profit of the Company for the year ended on that date.
 - iii in the case of the Cash Flow statement of the cash flows for the year ended on that date.

FOR S R DIVATIA & CO.

Chartered Accountants

Shalin S Divatia

Partner

Membership No 39755

Mumbai,

Dated, 28th June, 2003

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of our Report on even date :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years. Pursuant to the programme, a physical verification was carried out during the year and this revealed no material discrepancies.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spares and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
4. In our opinion and according to the information and explanations given to us the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding years.
7. The Company has not taken loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or to companies under the same management within the

A U D I T O R S ' R E P O R T

- meaning of section 370 (1-B) of the Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or to companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956.
 9. No loans and advances in the nature of loans have been made by the Company other than temporary interest free advances, to employees (other than Directors) who are generally repaying the principal amounts as stipulated.
 10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, spares, raw materials, plant and machinery, equipment and other assets and with regard to the sale of goods.
 11. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and materials in pursuance of contracts or arrangements entered in the register maintained under Section 301 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices for which transactions of similar goods and materials have been with other parties.
 12. As explained to us the Company has a regular procedure for the determination of unserviceable or damaged stores, spares, raw materials and finished goods. Adequate provisions have been made in the accounts for the loss so determined.
 13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Companies (Acceptance of Deposits) Rules, 1975.
 14. The Company has maintained reasonable records in respect of sale and disposal of scrap. We are informed that the manufacturing process of the Company does not give rise to any by-product.
 15. In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
 16. The maintenance of cost records has been prescribed under Section 209 (1) (d) of the Companies Act, 1956 for the Company's product for the accounting year under report. The Company is maintaining accounts and records as per order of Central Government. However, we are not required to and have not carried out any detailed examination of such accounts and records.
 17. The Company has been regular in depositing Provident Funds and Employees' State Insurance dues with the appropriate authorities.
 18. According to the information and explanations given to us no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty and Excise Duty were outstanding as on 31st March, 2003, for a period of more than six months from the date they became payable.
 19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted commercial practice.
 20. The Company is not a sick industrial Company within the meaning of clause (o) of sub-section (l) of Section 3 of the Sick Industrial Companies (Special Provisions) Act 1985.

FOR S R DIVATIA & CO.

Chartered Accountants

Shalin S Divatia

Partner

Membership No 39755

Mumbai,

Dated, 28th June, 2003

To the member of PRECISION WIRES INDIA LIMITED

We have examined the compliance of conditions of corporate governance by Precision Wires India Limited ("the Company") for the year ended on 31st March, 2003, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned listing agreement. We have to state that the records of investor grievances are maintained

by the Registrar and Transfer Agents appointed by the Company. The Registrar and Transfer Agents have certified that during the year under review there were no investor grievances pending/unattended to for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S R DIVATIA & CO.

Chartered Accountants

Shalin S Divatia

Partner

Mumbai,

Dated, 28th June, 2003

BALANCE SHEET AS AT 31ST MARCH, 2003

	Sch.		As at 31.3.2003 Rupees	As at 31.3.2002 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	104,644,230	104,644,230	
Reserves and Surplus	2	<u>541,643,281</u>	<u>646,287,511</u>	<u>569,780,963</u>
LOAN FUNDS				
Secured Loans	3		64,515,319	81,541,285
Deferred Tax Liability	4		<u>82,335,206</u>	<u>71,258,810</u>
TOTAL			<u>793,138,036</u>	<u>722,581,058</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	647,928,218	596,872,512	
Less : Depreciation		<u>(201,371,831)</u>	<u>(174,275,366)</u>	
Net Block		446,556,387	422,597,146	
Capital Work-in-Progress		<u>41,116,224</u>	<u>487,672,611</u>	<u>430,660,761</u>
INVESTMENTS	6		1,425,976	1,863,568
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories		174,237,544	125,821,071	
Sundry Debtors		340,822,640	333,515,144	
Cash and Bank Balances		95,903,430	101,891,408	
Loans and Advances		41,549,653	37,421,801	
Other Current Assets		<u>13,834,926</u>	<u>5,077,363</u>	
	7	<u>666,348,193</u>	<u>603,726,787</u>	
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities		336,323,149	318,286,427	
Provisions		<u>29,531,033</u>	<u>0</u>	
	8	<u>365,854,182</u>	<u>318,286,427</u>	
NET CURRENT ASSETS	(7-8)		300,494,011	285,440,360
MISCELLANEOUS EXPENDITURE (to the extent not written off)	9		3,545,438	4,616,369
TOTAL			<u>793,138,036</u>	<u>722,581,058</u>
Significant Accounting Policies and Notes on Accounts	14			

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner

Mumbai,
Dated 28th June, 2003

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya Kunder Company Secretary

Upen Shah Vice-President

Mumbai,
Dated 28th June, 2003

**PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2003**

	Sch.	<u>2002/03 Rupees</u>	<u>2001/02 Rupees</u>
INCOME			
Sales and Processing Income	#	1,964,110,412	1,714,158,276
Less: Excise Duty	**	<u>(291,988,770)</u>	<u>(267,471,849)</u>
Net Sales		1,672,121,642	1,446,686,427
Other Income	10	5,165,767	3,402,618
TOTAL		<u>1,677,287,409</u>	<u>1,450,089,045</u>
EXPENDITURE			
Operating Expenses	# 11,12	1,472,012,371	1,280,373,710
Interest	13	8,909,705	18,042,485
Depreciation	5	<u>32,697,492</u>	<u>30,801,159</u>
TOTAL		<u>1,513,619,568</u>	<u>1,329,217,354</u>
Profit before Taxes		163,667,841	120,871,691
Less: Provision for Income Tax		(49,500,000)	(27,200,000)
Less: Provision for Wealth Tax		(21,000)	
Less: Provision for Deferred Tax		(11,076,396)	(9,729,809)
Add : Excess Provision of taxes for earlier years		2,946,136	254,001
Profit after Taxes		<u>106,016,581</u>	<u>84,195,883</u>
Add : Balance brought forward		11,438,233	9,573,902
		117,454,814	93,769,785
Less : Appropriations:			
Transfer to General Reserve		(67,500,000)	(62,729,001)
Interim Dividend (@ Rs. Nil (Rs. 1.70) per Equity Share)		0	(17,788,159)
Proposed Dividend (@ Rs. 2.50 (Rs. Nil) per Equity Share)		(26,159,058)	0
Provision for Corporate Tax on Interim Dividend		0	(1,814,392)
on Proposed Dividend		<u>(3,350,975)</u>	<u>0</u>
Balance carried forward		<u>20,444,781</u>	<u>11,438,233</u>

Please refer Note 7 - Schedule 14.

** The above amount of Excise Duty of Rs. 291,988,770 (Rs. 267,471,849) includes an amount of Rs. 43,65,940 (Rs. 52,02,747) towards valuation of inventories as at 31.3.2003 in accordance with the Guidance Note on Accounting Treatment of Excise Duty issued by The Institute of Chartered Accountants of India.

Significant Accounting Policies and Notes on Accounts - Schedule 14.

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner

Mumbai,
Dated 28th June, 2003

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya Kunder Company Secretary

Upen Shah Vice-President

Mumbai,
Dated 28th June, 2003

SCHEDULES TO BALANCE SHEET

	As at 31.3.2003 Rupees	As at 31.3.2002 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
12,000,000 (12,000,000) Equity Shares of Rs. 10/- each.	120,000,000	120,000,000
3,000,000 (3,000,000) Unclassified Shares of Rs. 10/- each.	<u>30,000,000</u>	<u>30,000,000</u>
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED :		
10,465,223 (10,465,223) Equity shares of Rs. 10/- each.	<u>104,652,230</u>	<u>104,652,230</u>
SUBSCRIBED :		
10,463,623 (10,463,623) Equity shares fully paid up	104,636,230	104,636,230
Add: Forfeiture of 1,600 (1,600) Equity shares (Amount originally paid up)	<u>8,000</u>	<u>8,000</u>
	<u>104,644,230</u>	<u>104,644,230</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Central and State Government Subsidies	2,000,000	2,000,000
Capital Redemption Reserve	11,698,500	11,698,500
General Reserve :		
Balance as per last Balance Sheet	440,000,000	438,800,000
Less: Provision for deferred tax liability of prior years	0	(61,529,001)
Add: Transfer from Profit & Loss Account	<u>67,500,000</u>	<u>62,729,001</u>
	507,500,000	440,000,000
Balance in Profit and Loss Account	<u>20,444,781</u>	<u>11,438,233</u>
TOTAL	<u>541,643,281</u>	<u>465,136,733</u>
SCHEDULE 3 : SECURED LOANS		
Term Loans		
- From a Bank	10,984,302	43,765,662
- Interest accrued and due to Bank	<u>7,142</u>	<u>2,004,912</u>
	10,991,444	45,770,574
Working Capital borrowings from Banks	<u>53,523,875</u>	<u>35,770,711</u>
TOTAL	<u>64,515,319</u>	<u>81,541,285</u>
(Please refer Note B-3 of Schedule 14)		
SCHEDULE 4 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability arising on account of		
Depreciation	82,712,124	72,494,117
Unamortized/ Unpaid Expenditure	1,452,461	
Retirement benefits	<u>6,795</u>	
	84,171,380	72,494,117
LESS :		
Deferred Tax Assets arising on account of:		
Unamortized/ Unpaid Expenditure	(455,593)	(407,873)
Diminution in value of investments	0	(5,647)
Retirement benefits	<u>(1,380,581)</u>	<u>(821,787)</u>
	(1,836,174)	(1,235,307)
	<u>82,335,206</u>	<u>71,258,810</u>

SCHEDULES TO BALANCE SHEET
SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2002	Additions	Sale/ Adjustment	As at 31.03.2003	Upto 01.04.2002	For the year	On Sale/ Adjustment	Upto 31.03.2003	As at 31.03.2003	As at 31.03.2002
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Land	2,708,705	0	0	2,708,705	0	0	0	0	2,708,705	2,708,705
Buildings *	77,548,568	3,937,680	0	81,486,248	15,020,068	2,312,413	0	17,332,481	64,153,767	62,528,500
Plant And Machinery	488,031,652	55,629,812	(12,239,633)	531,421,831	145,491,008	27,663,420	(5,409,127)	167,745,301	363,676,530	342,540,644
Technology Transfer Cost	4,772,781	0	0	4,772,781	1,591,086	795,623	0	2,386,709	2,386,072	3,181,695
Vehicles	4,524,360	2,640,836	(195,130)	6,970,066	2,781,764	468,020	(154,478)	3,095,306	3,874,760	1,742,596
Office Equipments	10,374,727	1,137,908	(111,221)	11,401,414	5,700,380	886,139	(37,421)	6,549,098	4,852,316	4,674,347
Furniture & Fixtures	8,911,719	255,454	0	9,167,173	3,691,060	571,876	0	4,262,936	4,904,237	5,220,659
TOTAL	596,872,512	63,601,690	(12,545,984)	647,928,218	174,275,366	32,697,492	(5,601,026)	201,371,831	446,556,387	422,597,146
Previous Year	(493,948,126)	(104,457,978)	(1,533,592)	(596,872,512)	(144,084,886)	(30,801,159)	(610,680)	(174,275,366)	(422,597,146)	(349,863,240)
Capital Work in Progress (Including Advances on Capital Account)									41,116,224	8,063,615
									487,672,611	430,660,761

* Buildings include Rs. 14,253,393 (Rs. 14,253,393/-) being the cost of Residential Flats for employees at Palej / Silvassa

As at 31.3.2003 Rupees	As at 31.3.2002 Rupees
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SCHEDULE 6 : INVESTMENTS

(Other than Trade Investments, at cost)

Long Term :
UNQUOTED

Government Securities -

6 years National Savings Certificates

20,000

20,000

(deposited with Government Authorities)

Other Investments :
QUOTED

 17,300 (17,300) Equity Shares of
Rs. 10/- each of Dena Bank fully paid

0

519,000

 30,000 (30,000) Equity Shares of Rs. 10/-
each of Bank of Baroda, fully paid

2,550,000

2,550,000

 3,600 (3,600) Units of Unit Trust of India
Master Share Scheme of the face value
of Rs 10/- each

0

85,500

 500 (500) Equity Shares of ICICI Ltd
of Rs. 10/- each, fully paid

0

88,500

 17,000 (17,000) Equity Shares of
UTI Bank Ltd. of Rs.10/- each fully paid

0

357,000

* 2,550,000

3,600,000

Provision for Decline in value of investments

(1,144,024)

1,405,976

(1,756,432)

1,843,568

* [Market Value Rs. 2,577,000/-
(Rs. 2,396,790/-)]

TOTAL
1,425,976
1,863,568

SCHEDULES TO BALANCE SHEET

	As at 31.3.2003 Rupees	As at 31.3.2002 Rupees
SCHEDULE 7 :		
CURRENT ASSETS, LOANS AND ADVANCES.		
INVENTORIES (At lower of cost or net realisable value)		
Material in Transit	3,223,425	0
Raw Material	59,761,633	22,671,861
Work in Progress	21,209,627	26,709,944
Finished Goods	61,343,813	58,200,730
Stores, Spares and Consumables	15,659,174	10,504,895
Reels and Packing Material	13,003,277	7,344,237
Copper Scrap	<u>36,595</u>	<u>389,404</u>
	174,237,544	125,821,071
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months.	2,663,812	11,963,002
Others	<u>338,158,828</u>	<u>321,552,142</u>
	340,822,640	333,515,144
CASH AND BANK BALANCES		
Cash on hand	986,376	1,423,359
Balances with Scheduled Banks		
In Current Accounts	76,993,186	86,190,739
In Term Deposits		
I) Lien with Bank and Government Authorities	1,916,584	1,921,031
ii) Others	273,857	262,000
In Margin Money Accounts	209,938	3,060,462
In Dividend Accounts	1,431,284	1,845,496
Cheques in Hand	<u>14,092,205</u>	<u>7,188,321</u>
	95,903,430	101,891,408
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received	7,864,781	16,362,800
Deposits	10,769,961	10,763,711
Advance Payment of Taxes (net)	344,081	2,103,467
Balance with Customs and Central Excise Authorities	<u>22,570,830</u>	<u>8,191,823</u>
	41,549,653	37,421,801
OTHER CURRENT ASSETS		
Interest accrued but not due	66,846	0
Export benefits accrued	<u>13,768,080</u>	<u>5,077,363</u>
	13,834,926	5,077,363
TOTAL	<u>666,348,193</u>	<u>603,726,787</u>

SCHEDULES TO BALANCE SHEET

	As at 31.3.2003 Rupees	As at 31.3.2002 Rupees
SCHEDULE 8 :		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
(i) Total outstanding dues of small scale industrial undertakings	2,423,879	2,017,928
(ii) Total outstanding Dues of creditors other than small scale industrial undertakings	<u>301,177,681</u>	<u>285,314,012</u>
	303,601,560	287,331,940
Security Deposits	986,000	968,000
Unpaid Dividend	1,435,009	1,849,201
Other Liabilities	<u>30,300,580</u>	<u>28,137,286</u>
	336,323,149	318,286,427
PROVISIONS :		
Provision for Wealth Tax	21,000	0
Proposed Dividend	26,159,058	0
Provision for Corporate Tax on Dividend	<u>3,350,975</u>	0
	29,531,033	0
TOTAL	<u>365,854,182</u>	<u>318,286,427</u>

SCHEDULE 9 : MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Preliminary Expenses	441,840	589,285
Deferred Revenue Expenditure	100,000	150,000
Amalgamation Expenses	<u>3,003,598</u>	<u>3,877,084</u>
TOTAL	<u>3,545,438</u>	<u>4,616,369</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2002/03 Rupees	2001/02 Rupees
SCHEDULE 10 : OTHER INCOME		
Interest (Tax Deducted at Source Rs. 1,54,432 (Rs. 2,38,587/-))	1,604,737	2,289,241
Income from Investments *	287,703	272,770
Miscellaneous Receipts	1,280,347	732,082
Foreign Exchange Gain / Loss (net)	206,445	0
Excess/(Short) Provision of Previous Years	1,174,127	108,525
Provision for decline in value of investment written back	<u>612,408</u>	0
TOTAL	<u>5,165,767</u>	<u>3,402,618</u>

* Refer Note B-9, of Schedule 14

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2002/03 Rupees	2001/02 Rupees
	<hr/>	<hr/>
SCHEDULE 11 :		
(A) (ACCRETION)/DECRETION TO STOCK		
Stock at close		
Finished Goods	(61,343,813)	(58,200,730)
Copper Scrap	(36,595)	(389,404)
	<hr/>	<hr/>
	(61,380,408)	(58,590,134)
LESS : Stock at commencement		
Finished Goods	58,200,730	47,900,342
Copper Scrap	389,404	531
	<hr/>	<hr/>
	58,590,134	47,900,873
(ACCRETION) / DECRETION	<u>(2,790,274)</u>	<u>(10,689,261)</u>
(B) MATERIAL CONSUMED		
Stock at commencement		
Copper Wire Rods	4,495,393	8,135,622
Work-in-progress	26,709,944	21,597,948
Enamels & Chemicals (Refer Note 2C of Schedule 14)	18,116,330	18,726,579
	<hr/>	<hr/>
	49,321,667	48,460,149
Add: Purchases		
Copper Wire Rods	1,131,429,312	973,152,996
Enamels & Chemicals	129,925,735	104,244,720
	<hr/>	<hr/>
	1,261,355,047	1,077,397,716
Less: Stock at close		
Copper Wire Rods	(33,132,051)	(4,495,393)
Work-in-progress	(21,209,627)	(26,709,944)
Enamels & Chemicals	(29,853,007)	(18,176,468)
	<hr/>	<hr/>
	(84,194,685)	(49,381,805)
	1,226,482,029	1,076,476,060
Cost of Material Purchased and Sold	0	38,552
Material Consumed	<hr/>	<hr/>
	1,226,482,029	1,076,514,612
Total Material Consumed (A + B)	<u>1,223,691,755</u>	<u>1,065,825,351</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2002/03 Rupees	2001/02 Rupees
SCHEDULE 12:		
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Packing Material Consumed	22,474,238	17,955,473
Stores and Spares	18,702,815	20,577,127
Power and Fuel	71,788,408	65,882,410
Repairs and Maintenance		
Building	1,286,165	1,455,535
Machineries	11,706,567	8,366,500
Other Assets	1,644,361	1,273,134
Payments and provisions for employees		
Salary, Wages, Bonus etc.	40,435,816	32,615,002
Staff and Labour Welfare	1,305,097	1,081,543
Contributions to Provident and other Funds	3,737,243	2,695,585
Directors' Sitting Fees	125,000	113,000
Rent	1,755,264	2,167,116
Rates and Taxes	1,984,769	2,218,591
Travelling Expenses	2,692,251	1,882,727
Insurance	1,676,000	1,802,170
Freight and Transportation.	22,945,167	19,580,535
Commission on Sales	10,227,305	9,369,369
Cash Discount	0	372,009
Bad Debts Written Off	3,147,284	0
Goods lost in transit	384,614	0
Other Expenses	22,086,754	22,983,766
Foreign Exchange Loss (net)	0	415,810
Loss on sale of investment	211,609	0
Loss on Sale of Assets (net)	92,452	621,387
Provision for loss on Fixed Assets scrapped/discarded	6,830,506	0
Preliminary / Deferred Expenses Written Off	197,445	150,300
Amalgamation Expenses Written Off	883,486	969,270
TOTAL	<u>248,320,616</u>	<u>214,548,359</u>

SCHEDULE 13 : INTEREST

Interest on Fixed Loans	3,686,637	8,411,695
Other Interest (Banks & Others)	5,223,068	9,630,790
TOTAL	<u>8,909,705</u>	<u>18,042,485</u>

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting:

The Financial Statements have been prepared under historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

2 Fixed Assets and Depreciation:

- i Fixed Assets are stated at cost, net of Modvat/Cenvat credit if availed. Cost includes financing and other costs incurred till commencement of production.
- ii Depreciation on Fixed Assets is provided on the Straight Line Method at the rates specified from time to time in Schedule XIV to the Companies Act, 1956, other than Technology Transfer Cost which is amortised over a period of 6 years, and on Dies which is provided at 33.33% on Straight Line Method.
- iii Depreciation on additions to assets or on sale of assets is calculated pro-rata from the month of such addition or upto the month of such sale, as the case may be.
- iv Assets scrapped/discarded from use and held for disposal are stated at their estimated net realisable value.

3 Investments:

Investments are stated at cost of acquisition. Provision has been made for decline in the market value of Investments.

4 Inventories:

Inventories are valued on FIFO basis at lower of cost or estimated net realisable value.

In cases where duty paid materials are consumed prior to duty-free import of material for manufacture of products for export, the estimated excess cost of such material over that of duty free materials is carried forward and charged to revenue on consumption of such duty-free materials.

5 Amalgamation Expenses are amortised equally over a

period of six years beginning with the year from the year of Payment.

6 Income and Expenditure:

Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except those with significant uncertainties.

7 Foreign Currency Transactions:

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

The difference in translation of monetary assets and liabilities and realised gains and losses on foreign transactions other than those relating to fixed assets are recognised in the Profit and Loss Account.

8 Retirement Benefits:

- i During the year the Company has handed over the management and administration of the Employees Gratuity Trust Fund to Life Insurance Corporation of India (LIC). Contributions made to LIC are charged to revenue account, except in case of certain employees, in which case the same is provided on the assumption that such benefit is payable at the end of the year.
- ii Retirement benefits in the form of provident fund and pension scheme are accounted on accrual basis and charged to the Profit and Loss Account of the year.
- iii The monetary value of leave encashment benefit is provided on the assumption that such benefit is payable at the end of the year.

9 Deferred Tax

In accordance with Accounting Standard AS 22 - Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the asset can be realised in future.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities :

- a. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for Rs. 147.18 lakhs (Rs. 171.89 lakhs).
- b. Guarantees given by Bank to third parties - Rs. 317.03 lakhs (Rs 75.03 lakhs)
- c. Claims made against the Company not acknowledged as debts Rs. 2.21 lakhs (Rs. 2.21 lakhs)
- d. Disputed demand of Central Excise against erstwhile Atlas Wires Limited, pending in appeal before CEGAT, Special Bench "B", New Delhi, Rs. 4.55 lakhs (Rs. 4.55 lakhs).
- e. Disputed demand by Gujarat Electricity Board Rs. 4.22 Lacs pending at APEX Court and in respect of which a Bank Guarantee for an amount of Rs. 2.53 Lacs has been given by Bank of Baroda, Palej on the Company's behalf.
- f. In respect of matters pending in Labour Court estimated at Rs. 1.15 lakhs (Rs. 1.75 lakhs).
- g. Disputed Income Tax Demands against which Company has preferred a appeal Rs. 39.31 Lakhs (Rs. 24.45 Lakhs)

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS (Contd.)
2 Information pursuant to part II of Schedule VI.
2 (A) Capacities and Production (rounded off to the nearest Metric Ton) @

				Capacity	
				Licensed	Installed
Enamelled Round Copper Winding Wires				18600 (18600)	13600 (13600)
Wire Enamels				1500 (1500)	250 (250)
		Production		Production	
		Own Account 2002/03	Own Account 2001/02	Job work basis 2002/03	Job work basis 2001/02
Enamelled Round Copper Winding Wires		10057	8567	1794	1652
Bare Copper Wires					
	Own account	215 Kgs	111 Kgs	0	0
	Inter Unit Transfer	0	0	9	18
	Inter Unit Transfer	0	0	18	513
	Inter Unit Transfer	0	0	1652	2530
	Total	0	0	1679	3061
Wire Enamels					
	Intra Unit use - Captive Consumption	82	73	0	0
	Inter Unit Transfer	243	148	0	0
	Inter Unit Transfer	77	36	0	0
	Produced and in Stock at year end	0	4	0	0
		402	261	0	0

@ As certified by the Managing Director

2 (B) Sales and Processing Income

Sr Product No. _____		M.Tons (Rounded off)	Rupees
1	Enamelled Round Copper Winding Wires		
	– Own account	10029 (8470)	1793254882 (1553908586)
	– Jobwork account	1796 (1657)	116083711 (103357692)
2	Bare Copper Wires		
	a) Own account	215 Kg (111 Kgs)	33944 (16571)
	b) Inter Unit	0 (0)	0 (0)
	c) Job work - Inter Unit I	9 (18)	+ (+)
	Job work - Inter Unit II	1652 (2530)	+ (+)
	Job work - Inter Unit Palej	18 (513)	+ (+)
		1679 (3061)	0 (+)
+ Value excluded from Profit & Loss account on consolidation.			
3	Wire Enamels		
	Inter Unit Transfer Own account	245 (148)	+ (+)
	Inter Unit Transfer Own account	79 (36)	+ (+)
	Total Own account	324 (184)	(+) (+)

(In addition, Excise Duty paid Rs. 62,76,944/- (Rs. 3621952/-) is included in Gross Sales & Excise Duty)

+ Value excluded from Profit & Loss account on consolidation.

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS (Contd.)

Sr Product No.	M.Tons (Rounded off)	Rupees
4 Waste and Scrap of Copper	443 (439)	47810197 (49568969)
5 Others		236980 (506373)

(In addition, Excise Duty paid Rs. 413754/- (Rs.31,78,133/-) on Inter Unit transfer is included in Gross Sales & Excise Duty)

2 (C) Opening and Closing Stock

Sr. No.	Product	Opening Stock		Closing Stock	
		Quantity (M.T.) (Rounded off)	Value Rupees	Quantity (M.T.) (Rounded off)	Value Rupees
1	Copper	41 (71)	4495393 (8135622)	266 (41)	29908626 (4495393)
2	Enamels & Chemicals	150 (141)	18116330 (18726579)	277 (151)	29853007 (18176468)
3	Material under process	214 (167)	26709944 (21597948)	169 (214)	21209627 (26709944)
4	Enamelled Round Copper Winding Wires (*Including 4 MTs Enamels produced and in Stock)	360 * (275)	58200730 (47900342)	373 (360) *	61343813 (58200730)
5	Copper Scrap	4 (5 Kgs)	389404 (531)	393 Kgs (4)	36595 (389404)
6	Material in Transit (CIF) (Raw Materials and Others)		0 (0)	29 (0)	3223425 (0)

Note : 808 Kgs of Chemicals of Rs. 60,138/- has been re-classified as a Stores & Spares.

2 (D) Raw Material Consumed

Sr. Description No.	M.Tons (Rounded Off)	Rupees
1 Copper		
a) Own Account	#	10184 (8746)
b) Supplied by customers for production of Enamelled Wire on Job Work basis	1803 (1659)	Not Applicable (Not Applicable)
c) For Bare Copper Wire produced		
For Inter Unit Transfer on job work basis	9	# +
For Inter Unit Transfer on job work basis	1657	# +
For Inter Unit Transfer on job work basis	18	# +
	1684 (3063)	# +

/ + Quantity and Value of consumption of copper for Bare Wire produced on job work for Inter Unit transfer is included in Quantity and Value of consumption of Copper - Own Account.

2 Enamels and Chemicals

a) Own Account	1149 (1029)	118189058 (104794831)
----------------	----------------	--------------------------

(Includes chemicals used for production of enamels
421 MT (275 MT) Rs.33938165 (Rs.22591821)

b) Supplied by customers for production of enamelled copper wires on Jobwork basis.	45 (41)	Not Applicable (Not Applicable)
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**SCHEDULE 14: SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**
B. NOTES ON ACCOUNTS (Contd.)

	<u>2002/03</u> Rupees	<u>2001/02</u> Rupees
2 (E) Value of Imports calculated on CIF Basis. (Including Material in Transit)		
1. Raw Materials	43868711	39102323
2. Consumable Stores & Spares and repairs to Plant	9744374	2229660
3. Capital Goods	31123136	4897686
2 (F) Value of Raw Materials and Stores & Spares consumed:		
	<u>Percentage</u>	<u>Value</u>
a. Raw Materials :		
Imported	4 (5)	51091888 (57849225)
Indigenous	96 (95)	1175390141 (1018626835)
	<u>100</u> (100)	<u>1226482029</u> (1076476060)
b. Stores & Spares :		
Imported	40 (27)	7526997 (5541396)
Indigenous	60 (73)	11175818 (15035731)
	<u>100</u> (100)	<u>18702815</u> (20577127)
	<u>2002/03</u> Rupees	<u>2001/02</u> Rupees
2 (G) Expenditure in foreign Currency		
Testing/Membership Fees	10230	9233
Travelling Expenses	550313	8769
2 (H) Amount of Dividend remitted during the year in foreign currency	NIL	NIL
2 (I) Earnings in Foreign Exchange Export of Goods on FOB Basis	1188723	13238
2 (J) Remuneration to Auditors (Including Service Tax as applicable)		
i) Remuneration to Auditors		
(a) Audit Fees.	162000	157500
(b) Tax Audit Fees.	32400	31500
(c) Certification Fees.	12000	0
(d) Taxation Matters.	21000	15000
(e) Others	109500	0
Total	<u>336900</u>	<u>204000</u>

In addition to the above, an aggregate sum of Rs. 40,000/- (Previous Year - Rs 40,000/-) has been paid / is payable to a partner of the firm of Auditors in his personal capacity for Company Law matters.

**SCHEDULE 14: SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES ON ACCOUNTS (Contd.)

	<u>2002/03</u> Rupees	<u>2001/02</u> Rupees
2 (K) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :		
Manufacturing	(847519)	(64921)
Administration & Selling Expenses	(76608)	(236404)
Sales Tax	(250000)	192800
	<u>(1174127)</u>	<u>(108525)</u>
Provision for gratuity (including in respect of period of service prior to the year under review) debited to relevant Expense Account	0	1903846
2 (L) (a) Computation of profits in accordance with Section 198 of the Companies Act, 1956 :		
Net Profit before Tax	163667841	120871691
Add :		
Directors' Remuneration *	8783340	6575911
Directors' sitting fees	125000	113000
Loss on sale of Investments	211609	0
Loss on sale of assets	92452	621387
Provision for decline in value of investments (W/back)	(612408)	0
Preliminary Expenses	197445	150300
Amalgamation Expenses written off	883486	969270
	<u>173348765</u>	<u>129301559</u>
Net Profit for Section 198 of the Companies Act	<u>173348765</u>	<u>129301559</u>
10 % (10%) of Net Profit as above	<u>17334877</u>	<u>12930156</u>
Commission payable @ 1% (1%) of Net Profit as above to each of three Directors	5200463	3879047
Total 3% (Previous Year 3%)		
Restricted to <u>50% of salary of each Working Director</u>	<u>2335000</u>	<u>1680000</u>
(b) Remuneration paid / payable during the year to Managing / Whole time Directors*		
Salary	4670000	3360000
Leave Encashment	289400	0
Leave Travel Allowance	187500	360000
Perquisites	741040	726557
Contribution to Provident & Pension Funds	560400	403200
Contribution to Gratuity Fund	0	46154
	<u>6448340</u>	<u>4895911</u>
Commission	2335000	1680000
	<u>8783340</u>	<u>6575911</u>

* Excluding Provision for Gratuity Rs. 11,25,001/- (Rs.19,03,846/-) other than on actuarial valuation and provision for leave salary Rs. 2,33,900/- (Rs. 3,98,077/-)

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS (Contd.)

3 Working Capital Borrowing and Term-Loan from Bank of Baroda, in addition to personal guarantees of three directors, are secured by a first charge by way of Hypothecation of, Machinery, Stock-in-Trade, Book Debts and Equitable Mortgage of Land & Factory Buildings of the Company.

4 In accordance with the Guidance Note on Accounting Treatment for Excise Duty issued by The Institute of Chartered Accountants of India, the Excise Duty on Finished Goods lying in Bonded Store Rooms of the factories, estimated at a) Rs.15,45,413/- (Rs. 19,90,950/-) + b) Rs 6,11,223/- (Rs.12,83,782/-) + c) Rs.22,09,304/- (Rs.19,28,015/-) for individual Units aggregating to Rs.43,65,940/- (Rs.52,02,747/-) has been included in the valuation of finished goods inventory. There is no impact on the profits of the Company due to the above treatment. The above amount of Rs.43,65,940/- included in the amount of Excise Duty of a)Rs.1221,36,989/-(Rs. 116,600,587/-) + b) Rs.729,84,011/- (Rs.607,17,071/-) + c) Rs. 968,67,710/- (Rs.901,54,191/-) for individual Units, aggregating to Rs. 2919,88,770/-(Rs.267,471,849/-) appearing in the Profit and Loss Account as deduction from Sales and Processing Income.

5 As the Company operates in the single business segment of Enamelled Copper Winding Wires, there are no reportable segments of business as defined under the Accounting Standard AS 17 Segment Reporting issued by The Institute of Chartered Accounts of India.

6 Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party. Disclosures issued by The Institute of Chartered Accountants of India are given below :

a) Relationship:	Key Management personnel:		
Chairman & Managing Director	Managing Director	Whole Time Director	
Shri Mahendra R Mehta	Shri Milan M Mehta	Shri Deepak M Mehta	
Relatives of key management personnel:			
Mrs S M Mehta, Wife	Mrs G M Mehta, Wife	Mrs S D Mehta, Wife	
	Master A M Mehta, son	Master N D Mehta, son	
	Miss M M Mehta, daughter		

Mrs S M Mehta is also the mother of Shri Milan M Mehta and Shri Deepak M Mehta

Shri Milan M Mehta and Shri Deepak M Mehta are brothers and sons of Shri Mahendra R Mehta

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Rupees		
	2002-03	2001-02	
Rent Paid	834240	834240	Relatives
Security Deposit Given for Premises (Paid in Prior Year)	5300000	5300000	Relatives
Remuneration	8783340	6575911	Key Management Personnel

c) The Company does not have any Subsidiary Company

7 a) The following being Inter Unit Transactions during the year have been excluded in these Accounts

	2002/03 Rupees	2001/02 Rupees
Sales & Processing Income / Purchase - Copper Wire Rods	5625165	10370799
Sales & Processing Income / Purchase - Enamels etc.	35690122	29601690
Sales & Processing Income / Stores & Spares / Packing	888225	9568757
Other Income / Rent paid	4022508	3742303
Other Income / Interest Paid	1680000	1680000
Other Income / Other Expenses	90000	90000
Sundry Creditors / Lease Rent Deposit (paid in prior years)	14000000	14000000

b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March 2003 has been excluded from the valuation of relevant closing stock.

8 During the year under review, the Company has purchased and sold the following investments : Units of IDBI PRINCIPAL Cash Management Fund, under Liquid Option, Dividend Reinvestment Plan, the aggregate value of such purchase during the year was Rs. 80,65,784/- and aggregate value of such sale was Rs. 80,65,588/-.

9 Income from Investments consists of (a) Dividends from Companies Rs. 2,14,000/- (Rs 151000/-) and (b) Income from Units of Mutual Funds - Rs. 73,703/- (Rs. 1,21,770/-).

10 Amounts due to Small Scale Industrial Undertakings, and outstanding for a period exceeding 30 days are :

- 1) Dhaval Packaging Industries Rs. 105306/-
- 2) Sealwell Rs. 16755/-
- 3) Roots Cooling Systems (P) Ltd Rs. 66352/-
- 4) Xclusive machineries P Ltd Rs. 494565/-
- 5) Walson Woodburns Rs. 150477/-
- 6) Intec Ploymers Ltd Rs. 481168/-
- 7) Hi-Tech Plast Rs. 223659/-

The amounts due to the above SSI Sundry Creditors (1 to 5) are in accordance with the terms of the contracts and for Intec Polymers Ltd (6) and Hi-Tech Plast (7) the matter are in dispute.

11 During the year, the Company has made a provision for loss of Rs.68,30,506/- towards scrapping of certain items of Plant & Machinery on account of technological obsolescence of such machinery.

12 In view of Accounting Standard Interpretation on Accounting for Fixed Asset AS-10, issued by The Institute of Chartered Accountants of India, Machinery spares of an aggregate value of Rs 61, 50,373/- which are meant for specific machines and use whereof is irregular have been capitalised with

**SCHEDULE 14: SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS**

B. NOTES ON ACCOUNTS (Contd.)

the cost of relevant Plant and Machinery. Depreciation on the same has been provided on a systematic basis over a period not exceeding the useful life of the principal item of Plant & Machinery.

13 Earning Per Share (EPS) - EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of equity shares outstanding during the year as stated below:

	2002-03	2001-02
a Profit after tax	106016581	84195883
b Number of Shares	10463623	10463623
c EPS	10.13	8.05
d Facevalue per share	10.00	10.00

14 Figures in brackets pertain to the previous year.

15 Previous year's figures have been regrouped/reworked wherever necessary.

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner

Mumbai,
Dated 28th June, 2003

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya Kunder Company Secretary

Open Shah Vice-President

Mumbai,
Dated 28th June, 2003

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No. 11-54356 State Code 11 (Ref. Code List 1)

Balance Sheet Date : Date Month Year
31 03 2003

II Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1158992	Total Assets	1158992
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Sources of Funds :

Paid-up Capital	104644	Reserves & Surplus	541643
Secured Loans	64516	Unsecured Loans	0
Deferred Tax Liability	82335		

Application of Funds :

Net Fixed Assets	487673	Investments	1426
Net Current Assets	300494	Misc. Expenditure	3545
Accumulated Losses	Nil		

IV Performance of Company (Amount in Rs. Thousands) :

Turnover	1969276	Total Expenditure	1805608
+ Profit/ -Loss Before Tax	+ 163668	+Profit/ -Loss After Tax	+ 106017
Earning Per Share Rs.	10.13	Dividend Rate %	25

V Generic Names of Three Principal Products/Service of Company

i) Item Code No. (ITC Code) 85441101
Product Description : Winding Wires of Enamelled Copper

The Company deals in only one product.

For and on behalf of the Board

Mahendra R. Mehta	Chairman & Managing Director
Milan M. Mehta	Vice Chairman & Managing Director
Sanjaya Kunder	Company Secretary
Open Shah	Vice-President

Mumbai,
Dated 28th June, 2003

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2003.

	Rupees in Lacs	
	2002-03	2001-02
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	1636.68	1208.72
Add / (Deduct) : Adjustments for		
Interest	89.10	180.42
Depreciation (net)	326.97	308.01
Preliminary Expenses Written off	1.97	1.50
Amalgamation Expenses Written off	8.83	9.69
Loss on sale of assets	0.92	6.21
Prov for Scrapping of Fixed Assets	68.31	0.00
Loss on sale of Investment	2.12	0.00
Prov for Decline in Value of Invt W/ Back	(6.12)	0.00
Income from investments	(2.88)	(2.73)
	<u>489.23</u>	<u>503.10</u>
Operating Profit before working capital changes	2125.90	1711.82
Add / (Deduct) Adjustments for :		
Trade & Other Receivables	(73.08)	(280.40)
Inventories	(484.16)	(131.56)
Trade & Other Payables	180.36	351.74
Loans & Advances	(58.87)	38.10
Other Current Assets	(87.58)	(47.41)
	<u>(523.32)</u>	<u>(69.53)</u>
Cash generated from operations	1602.58	1642.29
Interest paid	(89.10)	(180.42)
Direct Taxes paid (net of refunds)	(447.94)	(257.47)
	<u>(537.04)</u>	<u>(437.89)</u>
Cash flow before extraordinary items	1065.54	1204.40
Extraordinary items	(0.10)	(25.64)
Net cash from operating activities	1065.44	1178.76
B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)		
Purchase of fixed assets (including Capital W I P)	(966.55)	(210.04)
Proceeds from Sale of assets	0.22	3.01
Investments In Units Of Mutual funds	(80.66)	200.00
Proceeds of sale of investments/Units of MF	89.04	(200.03)
Income from Investments	2.88	2.73
Net cash generated / (used) in investing activities	(955.07)	(204.33)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in / (Repayment of) term loans	(347.79)	(186.27)
Increase / (Decrease) in Bank borrowings	177.53	(4.49)
Issue / (Redemption of shares)	0.00	0.00
Dividends paid	0.00	(382.90)
Net cash generated/(used) in financing activities	(170.26)	(573.66)
Net increase/(decrease) in cash equivalents	(59.88)	400.77
Cash and cash equivalents as at 1st April, 2002	1018.91	618.14
Cash and cash equivalents as at 31st March, 2003	959.03	1018.91

As per our report of even date.

For S.R. Divatia & Co.
Chartered Accountants

Shalin S. Divatia
Partner

Mumbai,
Dated 28th June, 2003

For and on behalf of the Board

Mahendra R. Mehta Chairman & Managing Director

Milan M. Mehta Vice Chairman & Managing Director

Sanjaya Kunder Company Secretary

Upen Shah Vice-President

Mumbai,
Dated 28th June, 2003



PRECISION WIRES INDIA LTD.

REGD. OFFICE: SAIMAN HOUSE, J.A. RAUL STREET, OFF. SAYANI ROAD,
PRABHADEVI, MUMBAI - 400 025.

14TH ANNUAL GENERAL MEETING 2002-2003

PROXY FORM

I/We _____ of _____ in the district
of _____ being a Member/Members of PRECISION WIRES INDIA LIMITED hereby
appoint _____ of _____
in the district of _____ or failing him
_____ of _____ in the
district of _____ as my/our Proxy to vote for me/us on my/our behalf at the **14th Annual General
Meeting** of the Company to be held on **Monday, 22nd September, 2003** at 3.00 p.m. and any adjournment
thereof.

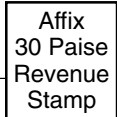
Signed this _____ day of _____ 2003

*DP Id: _____ *Client Id: _____

Reg. Folio No.: _____

No. of Shares held _____

Signature _____



NOTE:

1. A MEMBER ENTITLED TO VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE MEMBER.
 2. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTRERD OFFICE OF THE COMPANY NOT LESS THAN **48 HOURS** BEFORE THE TIME FOR HOLDING THE MEETING.
- * APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM.

✂ **Tear Here**

PRECISION WIRES INDIA LTD.

REGD. OFFICE: SAIMAN HOUSE, J.A. RAUL STREET, OFF. SAYANI ROAD,
PRABHADEVI, MUMBAI - 400 025.

ATTENDANCE SLIP

(This slip may please be handedover at the entrance of the meeting hall)

Regd. Folio No.: _____ *DP Id: _____ *Client Id: _____

No. of Shares held _____

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held
on **Monday, 22nd September, 2003** at the Hall of The Mysore Association, 1st Floor, 393 Bhaudaji Road,
Maheshwari Udyan (Kings' Circle), Matunga (Central Railway), Mumbai – 400 019.

Full Name of Shareholders / Proxy (in Block Letters) _____

Signature of the Shareholder / Proxy _____

* APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM.

BOOK-POST



PRECISION

If undelivered, please return to:

PRECISION WIRES INDIA LTD.

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