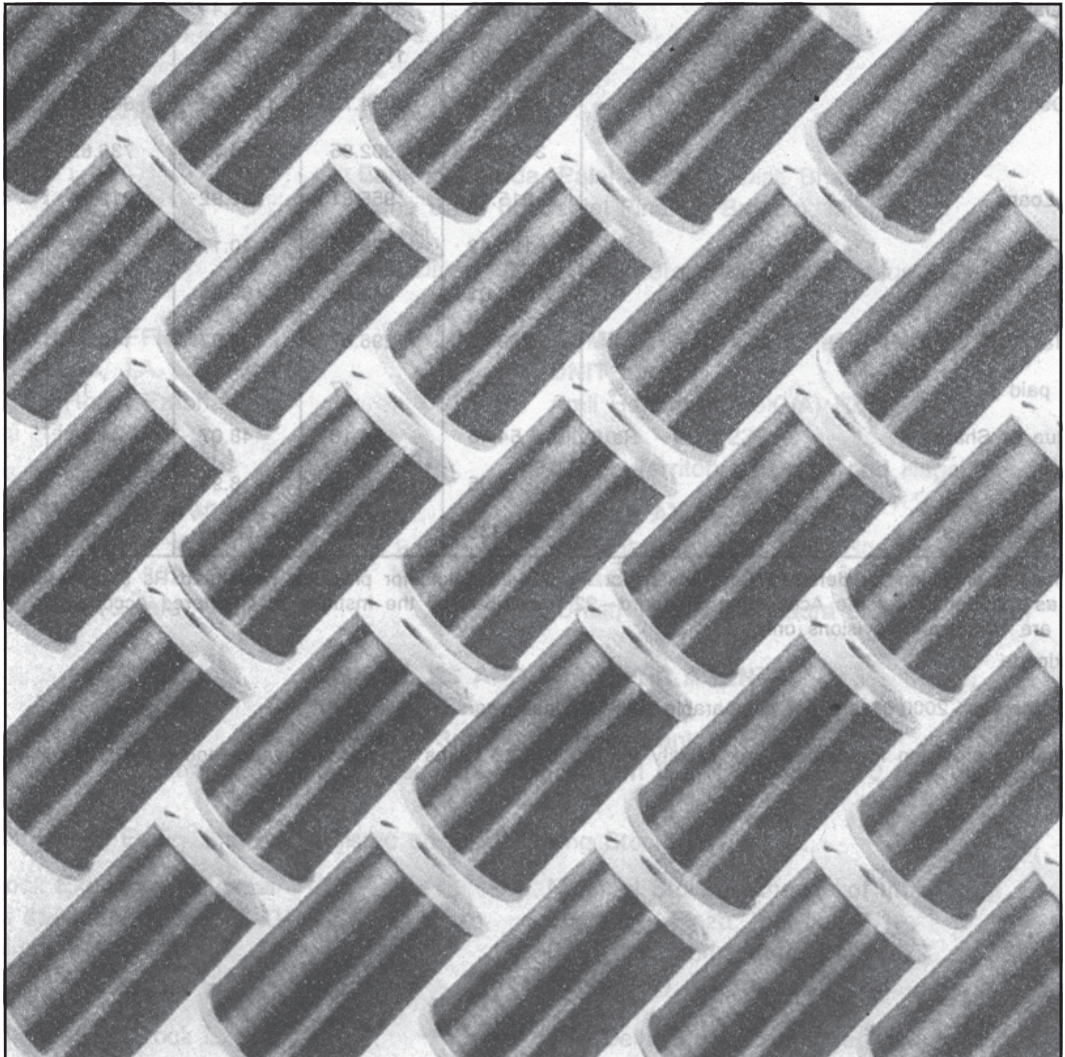


15th  
Annual Report  
2003-2004



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

**Financial Highlights**

	2003/04	2002/03	2001/02	@ 2000/01	1999/00
Equity Share Capital (Paid up)	1046.36	1046.36	1046.36	1046.36	485.22
Reserves & Surplus	6336.41	5416.43	4651.37	4620.72	1846.73
Provision for Deferred Tax for the year - Liability/(Assets)	(7.63)	110.76	97.30	-	-
Current Assets	7855.33	6663.48	6037.27	5227.21	2040.87
Current Liabilities	4338.43	3658.54	3182.86	3018.01	1476.44
Inventories	1829.82	1742.37	1258.21	1126.65	470.51
Sundry Debtors	4554.57	3408.22	3335.15	3054.75	1383.22
Creditors	4108.51	3339.01	3154.69	2802.95	1234.71
Secured Loans	810.00	645.15	815.41	955.81	121.92
Interest Paid	63.25	89.10	180.42	125.84	40.17
Depreciation	367.26	326.97	308.01	243.96	109.25
Income Tax	484.29	465.54	269.46	296.67	132.87
Dividend	% 30	25	17	17	17
Book Value of Shares	Rs. 70.56	61.77	54.45	54.15	48.07
E.P.S.	Rs. 12.18	10.13	8.05	9.19	8.93
No. of Shareholders	** 9889	**11041	**11338	11455	11599

\*\* Approximate

@ Figures for the year 2000/01 and subsequent thereto are after amalgamation.



**PRECISION**

# 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.

## **ADMINISTRATIVE OFFICE AND WORKS :**

### **UNIT I:**

Plot Survey No. 125  
Amli Hanuman (66KVA) Road,  
Silvassa - 396 230.  
(Union Territory of Dadra and Nagar Haveli)

## **PALEJ UNIT: ATLAS WIRES**

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

## **UNIT II: ATLAS WIRES**

Plot Survey No. 125  
Amli Hanuman (66 KVA) Road,  
Silvassa 396 230.  
(Union Territory of Dadra & Nagar Haveli)

## **REGISTRARS 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.

---

**NOTICE TO MEMBERS**


---

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Precision Wires India Limited will be held at, the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393, Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai-400 019 on Thursday, the 19<sup>th</sup> August, 2004 at 3.00 P.M to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2004 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To confirm the payment of Interim dividend and to declare a Final dividend on Equity Shares.
- 3) To appoint a Director in place of Shri Ashwin P. Kothari who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Pratapbhai R. Merchant 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 in supersession of the Resolution passed at the Annual General Meeting of the Members held on 22<sup>nd</sup> September, 2003 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. 200 Crores (Rupees Two Hundred Crores only).

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary or required under Law and further to and in partial modification of the Resolution No. 6 passed by the Company in its Annual General Meeting held on 26<sup>th</sup> September, 2001, appointing Shri Milan M Mehta as Managing Director of the Company

for a period of five years with effect from 1<sup>st</sup> April 2001, on the terms and conditions as set out therein and as contained in the Appointment Letter dated 22<sup>nd</sup> January 2001 and further to and in partial modification of the Resolution No. 7 passed by the Company in its Annual General Meeting held on 28<sup>th</sup> September, 2002 for increase in the salary of Shri Milan M Mehta from Rs. 1,00,000/- (Rs. One Lakh only) per month to Rs 1,50,000/- (Rs. One Lakh Fifty Thousand only) per month with effect from 1<sup>st</sup> August 2002 for the remaining period of his current tenure of office as Managing Director, that is from 1<sup>st</sup> August 2002 to 31<sup>st</sup> March 2006 as set out in the Supplemental Appointment Letter dated 22<sup>nd</sup> June 2002, the Company hereby approves within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, the further increase in the salary of Shri Milan M Mehta from Rs. 1,50,000/- (Rs. One Lakh Fifty Thousand only) per month to Rs 2,00,000/- (Rs. Two Lakh only) per month increasing thereby proportionately all benefits, related to the quantum of Salary with effect from 1<sup>st</sup> September, 2004 and revision in the terms of the commission payable to him at the end of Financial Year ending 31<sup>st</sup> March 2005 and onwards for the remaining period of his current tenure of office as Managing Director, that is till 31<sup>st</sup> March 2006 and other Terms and Conditions remaining unchanged as set out in the Draft Second Supplemental Appointment Letter submitted to this Meeting and for identification, signed by the Chairman which this Second Supplemental Appointment Letter is hereby specifically approved with liberty and powers to the Board of Directors to alter, vary and modify the terms and conditions of the said second Supplemental Letter in such manner as may be agreed between the Board of Directors and Shri Milan M. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956 or any amendments, modifications or re enactment made thereto from time to time and, if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board of Directors and Shri Milan M. Mehta.

RESOLVED FURTHER THAT subject to the provision of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Milan M. Mehta as Managing Director by way of salary, perquisites, commission and other allowances shall not exceed 5 % of net profits of the Company computed under section 198 of the Companies Act, 1956 and 10 % of such net profits for all such managerial personnel of the Company together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove, wherein any financial year of the company during the currency of tenure of Shri Milan M. Mehta as 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

NOTICE TO MEMBERS

Section II of Part II of the Schedule XIII to the Companies Act, 1956, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and they may take such steps necessary, expedient or desirable in the best interest of the Company.

8. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary or required under Law and further to and in partial modification of the Resolution No. 6 passed by the Company in its Annual General Meeting held on 28<sup>th</sup> September, 2002, appointing Shri Deepak M. Mehta as Whole Time Director of the Company for a period of five years with effect from 1<sup>st</sup> August, 2002, on the terms and conditions as set out therein and as contained in the appointment letter dated 10<sup>th</sup> May 2002, the Company hereby approves within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, the increase in the salary of Shri Deepak M. Mehta from Rs. 1,50,000/- (Rs. One Lakh Fifty Thousand only) per month to Rs 2,00,000/- (Rs. Two Lakh only) per month increasing thereby proportionately all benefits, related to the quantum of Salary with effect from 1<sup>st</sup> September, 2004 and revision in the terms of the commission payable to him at the end of Financial Year ending 31<sup>st</sup> March 2005 and onwards for the remaining period of his current tenure of office as Whole Time Director, that is till 31<sup>st</sup> July 2007 and other Terms and Conditions remaining unchanged as set out in the Draft Supplemental Appointment Letter submitted to this meeting and for identification, signed by the Chairman which Supplemental Appointment Letter is hereby specifically approved with liberty and powers to the Board of Directors to alter, vary and modify the terms and conditions of the said Supplemental Letter in such manner as may be agreed between the Board of Directors and Shri Deepak M. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956 or any amendments, modifications or re enactment made thereto from time to time and, if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board of Directors and Shri Deepak M. Mehta.

RESOLVED FURTHER THAT subject to the provision of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Deepak M. Mehta as Whole Time Director by way of salary, perquisites, commission and other allowances shall not exceed 5 % of net profits of the Company computed under section 198 of the Companies Act, 1956 and 10 %

of such net profits for all such managerial personnel of the Company together in that financial year.

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

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and they may take such steps necessary, expedient or desirable in the best interest of the Company.

9. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary or required under Law and further to and in partial modification of the Resolution No. 8 passed by the Company in its Annual General Meeting held on 22<sup>nd</sup> September, 2003, re appointing Shri Mahendra R. Mehta as Chariman and Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> October, 2003, on the terms and conditions as set out therein and as contained in the Re-appointment letter dated 22.09.2003, the Company hereby approves within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, the revision in the terms of the commission payable to him at the end of Financial Year ending 31<sup>st</sup> March 2005 and onwards, for the remaining period of his current tenure of office as Chairman and Managing Director, that is till 30<sup>th</sup> September 2008 and other Terms and Conditions remaining unchanged as set out in the Draft Supplemental Appointment Letter submitted to this meeting and for identification, signed by the Chairman which Supplemental Appointment Letter is hereby specifically approved with liberty and powers to the Board of Directors to alter, vary and modify the terms and conditions of the said Supplemental Letter in such manner as may be agreed between the Board of Directors and Shri Mahendra R. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956 or any amendments, modifications or re enactment made thereto from time to time and, if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board of Directors and Shri Mahendra R. Mehta.

RESOLVED FURTHER THAT subject to the provision of Section 198 and Section 309 and other applicable provisions,

---

**NOTICE TO MEMBERS**


---

if any, of the Companies Act, 1956, the remuneration payable to Shri Mahendra R. Mehta as Chairman & Managing Director by way of salary, perquisites, commission and other allowances shall not exceed 5 % of net profits of the Company computed under section 198 of the Companies Act, 1956 and 10 % of such net profits for all such managerial personnel of the Company together in that financial year.

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

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and they may take such steps necessary, expedient or desirable in the best interest of the Company.

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,

25<sup>th</sup> June 2004.

---

**Notes :-**

- 1) An Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of business under Item Nos. 6,7,8 & 9 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 Tuesday the 10<sup>th</sup> August, 2004 to Thursday the 19<sup>th</sup> August, 2004 (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, 3<sup>rd</sup> floor, above Bank of Baroda, Cardinal Gracious Road, Andheri (East), Mumbai-400 099, the Registrar and Share Transfer Agents of the Company.
- 5) The Final Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 19<sup>th</sup> August 2004.
- 6) In accordance with the provisions of Section 205A of the Act, the company has transferred unclaimed dividend relating to the year ended 31<sup>st</sup> 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.

- 7) Pursuant to the provision of Section 205A of the Companies Act, 1956, as Amended to date, dividends for any financial year which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, Dividend for the Financial Year 31.03.1996, have been transferred to IEPF of the Central Government.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	*Proposed date for transfer to IEP fund
31.03.1997	23-08-97	22-08-04	21-09-04
31.03.1998	22-09-98	21-09-05	21-10-05
31.03.1999	23-07-99	22-07-06	21-08-06
31.03.2000	04-04-00 (Interim)	03-04-07	03-05-07
	23-09-00	22-09-07	22-10-07
31.03.2001	26-09-01	25-09-08	25-10-08
31.03.2002	24-01-02 (Interim)	23-01-09	22-02-09
31.03.2003	22-09-03	21-09-10	21-10-10

\* Indicative dates, actual dates may vary.

Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31<sup>st</sup> March, 1997 or any subsequent financial years are requested to send their claims to the Company's Registered Office immediately. It may also be noted that once unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

**NOTICE TO MEMBERS**

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 Ashwin P. Kothari	Shri Pratapbhai R. Merchant
DATE OF BIRTH & AGE	14 <sup>th</sup> September, 1942 AGE: 61 Years	02 <sup>nd</sup> March 1935. AGE: 69 years
DATE OF APPOINTMENT	Appointed as Additional Director on 28.10.1998 and as Director on 23.7.1999 at the Annual General Meeting.	Appointed as Additional Director on 28.10.1998 and as Director on 23.7.1999 at the Annual General Meeting
EXPERTISE IN SPECIFIC FUNCTION	Expertise in ferrous and non ferrous Metal & Chemical Industries	Ex-Banker and has rich experience in Banking Sectors.
QUALIFICATIONS	S.B.(MIT)	B.Com., CAIIB-I
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31 <sup>ST</sup> MARCH 2004	a) Aroni Chemical Industries Ltd. b) Four Dimensions Securities (India) Ltd. c) Jacquart Chemicals Industries Ltd. d) Gwalior Chemical Industries Ltd. e) Vidula Traders Ltd. f) Five Star Trading & Investment Co. Ltd. g) Rajshree Holdings Ltd. h) Parke Avenue Engineering Ltd. i) Meenakshi Steel Industries Ltd. j) Jatayu Textiles & Industries Ltd. k) Sunayana Traders & Investment Co.Ltd. l) Essel Mining & Industries Ltd. m) Aditya Birla Health Services Ltd. n) Sambhav Finance & Trading Co. Ltd.	a) Gujarat Setco Clutch Ltd. b) KJMC Asset Management Co. Ltd.
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 <sup>ST</sup> MARCH 2004	<i>Nil</i>	A) Chairman of Audit Committee and Member of Remuneration Committee of KJMC Asset Management Co. Ltd. B) Member of Audit Committee and Shareholders Grievance Committee of Gujarat Setco Clutch Ltd.

**ANNEXURE TO NOTICE**

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

**Item No.6**

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors can not, 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 order to meet funding requirements from time to time, it may be necessary for the Company to authorize the Board of Directors of the Company to borrow upto a sum not exceeding Rs.200 Crores (Rs.Two Hundred Crores only) which is in excess of the Paid up Capital and Free Reserves of the Company. The proposed Resolution is enabling in Character.

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 No. 7, 8 & 9.**

The Remuneration Committee of the Board of Directors of the Company reviewed the remuneration packages of the Working Directors of the Company and felt that considering the overall performance of the Company under their Management and with a view to align such package with the practice prevailing in the corporate world, came to the conclusion, subject to the approval of the Members at a General Meeting, to increase the salary of the two Working Directors namely Shri Milan M.Mehta and Shri Deepak M. Mehta from Rs. 150000 Per Month to Rs. 200000 Per Month and revision in the terms of the Commission payable to all the Working Directors Shri Milan M. Mehta, Shri Deepak M. Mehta and Shri Mehendra R. Mehta and recommended to the Board of Directors to consider and

---

**NOTICE TO MEMBERS**


---

increase in the remuneration as described in the Proposed Resolutions at item Nos. 7,8,& 9. Since Shri Mahendra R. Mehta, Chairman and Managing Director has been re-appointed with the increased Salary from Rs. 150000 to Rs 200000 Per month with effect from 01.10.2003 onwards no increase in his salary was recommended in his case at present. The Principal terms of their revision are as under :

**Salary:**

Shri Milan M. Mehta	Increased from Rs. 150000 per month to 200000 per month increasing thereby proportionately all benefits, related to the quantum of Salary with effect from 01.09.2004 to 31.03.2006 for the remaining period of his term of his appointment.
Shri Deepak M. Mehta	Increased from Rs. 150000 per month to 200000 per month increasing thereby proportionately all benefits, related to the quantum of Salary with effect from 01.09.2004 to 31.07.2007 for the remaining period of his term of his appointment.

**Commission:**

With effect from financial year ending 31<sup>st</sup> March, 2005 till the end of the term of the appointment of respective above mentioned all Working Directors namely Shri Mahendra R. Mehta, Shri Milan M. Mehta and Shri Deepak M. Mehta, be paid a Commission in addition to salary, perquisites and other allowances, at 1% each, of the Net Profit of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956, subject to provisions of Section 198 and Section 309 and other applicable provisions, if any of the Companies Act, 1956.

Other terms and conditions remain unchanged.

**Memorandum of Interest**

Shri Mahendra R. Mehta, Chairman and Managing Director, Shri Milan M.Mehta, Managing Director and Shri Deepak M.Mehta Whole Time Director are concerned or interested in the Resolution at the Item No. 7, 8 & 9 as also in their relevant Supplemental Appointment letter referred to in each of the said items, as they relate to the terms of their remuneration.

Shri Mahendra R. Mehta, Chairman and Managing Director, Shri Milan M.Mehta, Managing Director and Shri Deepak M.Mehta Whole Time Director are also concerned or interested in the above as they are relatives.

Save as aforesaid, none of other Directors is in any way concerned or interested in the Resolutions at item no 7, 8 & 9 of the accompanying Notice.

The draft of the Supplemental Appointment Letters proposed to be issued to Shri Mahendra R.Mehta, Shri Milan M.Mehta and Shri Deepak M. Mehta referred to in the respective Resolutions at item no. 7, 8 & 9 of the accompanying Notice and Letter of Appointment dated 22<sup>nd</sup> January 2001 and Supplemental Letter of Appointment dated 22<sup>nd</sup> June 2002 of Shri Milan M.Mehta and Letter of Appointment dated 10<sup>th</sup> May 2002 of Shri Deepak M.Mehta and Letter of Re-appointment of Shri Mahendra R.Mehta dated 22.09.2003 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.

This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors commend the Resolutions 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

25<sup>th</sup> June 2004.



## DIRECTORS' REPORT

**TO THE MEMBERS**

The Directors hereby present the Fifteenth Annual Report of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March 2004.

**1. Financial Results**

	Rupees In Lakhs	
	<u>2003-2004</u>	<u>2002-2003</u>
Sales (including Excise Duty)	<b>22731.39</b>	19641.10
Less : Excise Duty	<b>(3287.90)</b>	(2919.89)
Sales (Net of Excise Duty)	<b>19443.49</b>	16721.21
Operating Profit	<b>2077.57</b>	2001.09
Add: Other Income	<b>103.88</b>	51.66
Profit before Interest, Depreciation & Taxes	<b>2181.45</b>	2052.75
Interest	<b>(63.26)</b>	(89.10)
Depreciation	<b>(367.26)</b>	(326.97)
Profit before Taxes	<b>1750.93</b>	1636.68
Provision for Income Tax	<b>(489.00)</b>	(495.00)
Provision for Wealth Tax	<b>(0.17)</b>	(0.21)
Provision for Deferred Tax	<b>7.63</b>	(110.76)
Prior Years' Tax Adjustments	<b>4.71</b>	29.46
Profit after Tax	<b>1274.10</b>	1060.17
Add: Balance brought forward from last Account	<b>204.45</b>	114.38
<b>Balance available :</b>	<b>1478.55</b>	1174.55
Which the Board of Directors have appropriated as under:		
(i) Interim Dividend on Equity Shares for the year @13% (NIL)	<b>136.03</b>	0.00
(ii) Proposed Final Dividend on Equity Shares for the year 17% (25%)	<b>177.88</b>	261.59
(iii) Corporate Tax on Interim Dividend	<b>17.43</b>	33.51
(iv) Corporate Tax on Final Dividend	<b>22.79</b>	0.00
(v) Transfer to General Reserve	<b>950.00</b>	675.00
	<b>1304.13</b>	970.10
Balance carried forwarded to Profit & Loss Account	<b>174.42</b>	204.45

**2. Dividend**

The Directors are pleased to recommend Final Dividend at 17% for the year ended 31<sup>st</sup> March 2004, subject to the approval of Share Holders at the ensuing A.G.M. The Interim Dividend for the year at 13% was paid.

**3. Operations**

Despite the decline in the production of about 867 MT at Palej Plant, the overall total production of finished goods during the year under review is 12,233 MT (11851), a marginal

increase of about 3%. Sale's Income is more due to increase in the price of our Primary Input, Copper. During 2<sup>nd</sup> half of the year, the price of our Principal Input, Copper was high. Consequently, Inventory, Debtors and Creditors as at 31<sup>st</sup> March 2004 are higher. Interest outflow during the year is marginally lower.

Installed capacity for manufacture of Round Enamelled Copper Wires and Wire Enamels increased during the year.

Demand from Domestic Electric Equipment Sector for our products was good. However, value added is under pressure due to intense domestic competition. Export possibility, therefore were explored further during the year. Your Company is pursuing actively modernization route by deploying cash accruals. Two more Imported Plants are likely to go on stream during 2004-2005 which will further increase installed capacity at Silvassa by about 2600 MT/year.

Your Company has decided to install some capacity for certain range of Wire sizes where our existing exposure is minimal.

For our expanding activities at Silvassa an Agreement to purchase about 1.3 Hectors of Land has been entered into.

Import Duty on Copper continues to be very high (effective rate about 21% ad valorem) as compared with NIL / low tariff prevailing in SAARC, Middle East, Far East and other developing countries. Free Trade Agreements (FTA) permit Duty-Free Import of our finished products into India though such exporting countries have low / Nil Tax on import of Copper. 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 Winding Wires from FTA Countries should not be permitted. It is likely that such import may affect working of your Company.

Despite above constraints, during the year under review performance of your Company is satisfactory.

**4. Modernisation:**

Your Company continues to commit vigorously resources for modernization at Silvassa Units in phases, by generally deploying internal cash—accruals. Modern Plant & Equipments are ordered regularly, received, installed, erected and commissioned in time as per schedules. Two more Plants are expected to go on stream at Silvassa during the current Fiscal.

Our Palej Unit continues to be low productivity and high cost Unit and requires modernization. The Company has not been able to commit or deploy resources for the purpose as important issues such as productivity norms and manpower-rationalization are yet to be sorted out. Your Company is pursuing the matter including various options available under the circumstances.

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

The Equity Shares of your Company continue to be listed

---

**DIRECTORS' REPORT**


---

at the Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) and required Annual Listing Fees have been paid and as the same are generally traded on BSE and NSE, at the request of the Company the same were delisted with Ahmedabad and Delhi Stock Exchanges during the year.

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, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> 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. Subject to the approval of the Members it is proposed to re-appoint them for the Financial Year 2004-2005. The Auditors have u/s 224 (1B) of the Companies Act, 1956 furnished Certificate of Eligibility for 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 31<sup>st</sup> March, 2004 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 Board of Directors of the Company reviewed the remuneration packages of the Working Directors of the Company and felt that considering the overall performance of the Company under their Management and with a view to align such package with the practice prevailing in the corporate world, came to the conclusion, subject to the approval of the Members at a General Meeting, to increase the salary of the two Working Directors namely Shri Milan M. Mehta and Shri Deepak M. Mehta from Rs. 1,50,000 Per Month to Rs. 2,00,000 Per Month and revision in the terms of the Commission payable to all the Working Directors and recommended to the Board of Directors to consider and increase in the remuneration. Since Shri Mahendra R. Mehta has been Re-appointed with the increased Salary from Rs. 1,50,000 to Rs 2,00,000 Per month with effect from 01.10.2003 onwards no increase in his salary was recommended at present.

Keeping in line with the recommendation, appropriate Resolutions are 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 A. P Kothari and Shri P. R Merchant 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 25<sup>th</sup> June, 2004.

**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 31<sup>st</sup> March, 2004.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	75	—	Chairman & Managing Director	June 1975	52	3,671,383 #	Chairman & M.D Of Erstwhile Atlas Wires Ltd.
Shri Deepak M.Mehta	47	B.Com	Whole-time Director	January 1989	24	3,682,946	Whole-time Director Of Erstwhile Atlas Wires Ltd.
Shri Milan M Mehta	41	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	19	3,581,594 #	Technical Director, Erstwhile Atlas Wires Ltd.

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. 923077/- and Rs. 86538/- 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:**

1. Energy consumption details in form "A" have not been prescribed for the class of industry to which your Company belongs.
2. 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):**

- |   |   |
|---|---|
| 1. Special areas in which R & D carried out by the Company. | Development of larger spools; Special Tools and Material Handling Facility                  |
| 2. Benefits derived as a result of the above R & D          | Savings in consumption of Inputs, Improvement in quality & Safer & Faster-flow of materials |
| 3. Future plan of action                                    | Product Improvement.  |
| 4. Expenditure on R & D                                     | Nil   |

**Technology Absorption, Adaptation and Innovation:**

- |   |  |
|---|--|
| 1. Efforts, in brief, made towards technology absorption and innovation | The Company continues to Modernise. Training of Manpower for technology absorption has been continuously undertaken. |
| 2. Benefits derived as a result of the above efforts                    | Modernisation and improvement in Quality.  |
| 3. Information about imported Technology                                | Imported Technology for some specific products received during earlier year has been absorbed satisfactorily.        |

**3. Foreign Exchange Earnings and Outgo:**

Earnings	Rs. 25.76 (Rs. 11.89) lakhs
Outgoings	Rs. 788.01 (Rs. 852.97) lakhs

**CORPORATE GOVERNANCE REPORT FOR THE YEAR**  
**1<sup>ST</sup> April 2003 to 31<sup>ST</sup> March 2004**

**(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 continues to remain 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 the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are as under:

Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meetings 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	4	Yes
Shri Vijay M Crishna	Director	Non-Executive, Independent	7	0	5	1	No
Shri P N Vencatesan	Director	Non-Executive, Independent	3	3	5	5	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 22.05.2003, 28.06.2003, 29.7.2003, 20.10.2003 & 23.1.2004 and the gap between two meetings did not exceed four months.
- Annual General Meeting (AGM) of the company was held on 22.9.2003.

**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 28.6.2003, 29.7.2003, 20.10.2003 & 23.1.2004.

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

Name of the Member	Category	Audit Committee Meeting	
		Held	Attended
Shri P N Vencatesan, Chairman (Chartered Accountant)	Independent, Non –Executive	4	4
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 22.09.2003.

**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.

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 28<sup>th</sup> June, 2003, which was attended by all the Members of Committee. Shri P.N.Vencatesan, Chairman and Shri P.R.Merchant, Member were also present at the Annual General Meeting held on 22.09.2003.

Non- Executive Directors do not receive any remuneration except the sitting fees for attending Meetings of the Board of Directors and / or the Committees of Directors.

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		Sitting Fees for attending Board & Committee meetings
	Rs.	Rs.	Rs.	Rs.		Rs.
Shri Mahendra R Mehta	2100000	1050000	269383	*1175077	4594460	Nil
Shri Milan M Mehta	1800000	900000	665593	**302538	3668131	Nil
Shri Deepak M Mehta	1800000	900000	766946	216000	3682946	Nil
Shri Vijay M Crishna						3,000
Shri P N Vencatesan						62,000
Shri P R Merchant						44,000
Shri A P Kothari						44,000

\* Includes Provision for Gratuity of Rs.9,23,077/-,

\*\* Includes Provision for Gratuity of Rs.86,538/-

#### 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 35  
From 01.04.2003 to 31.03.2004 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 31.03.2004 Nil

Number of pending share transfers \*17  
as on 31.03.2004

\*Transfers lodged during March 2004, Approved and effected during April 2004.

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 31<sup>st</sup> 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
2002-03	22.9.2003	3.00 p.m.	Hall of Mysore Association, 1 <sup>st</sup> floor, 393 Bhaudaji Road, Maheswari Udyan (King Circle) Matunga(Central Railway), Mumbai-400019.
2001-02	28.9.2002	3.00 p.m.	Hall of Mysore Association, 1 <sup>st</sup> floor, 393 Bhaudaji Road, Maheswari Udyan (King Circle) 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.

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 and Annual Report 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 2004

*Day, Date month & Time:*

Thursday, 19<sup>th</sup> August, 2004, AT 3.00 PM

*Venue:*

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

*Financial Calender for 2004-05 (tentative):*

Financial Results for

First Quarter 4<sup>th</sup> Week of July,2004

Second Quarter 3<sup>rd</sup> /4<sup>th</sup> Week of October,2004

Third Quarter 3<sup>rd</sup>/4<sup>th</sup> Week of January 2005

Audited Annual Results 4<sup>th</sup> Week of June 2005

**Date of Book closure** : from 10 August 2004 to 19<sup>th</sup> August 2004 (both days inclusive).

#### Dividend payment date:

on or before 18<sup>th</sup> September,2004, subject to approval of Members at the ensuing Annual General Meeting, at 17% i.e. Rs. 1.70 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(NSE) PRECWIRE

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2003-04.

*Market Price Data:*

Month & Year	BSE		NSE		SENSEX	
	High	Low	High	Low	High	Low
Apr-03	20.00	18.00	20.35	18.20	3221.90	2904.44
May-03	23.90	19.30	24.15	19.45	3200.48	2934.78
Jun-03	31.55	22.35	31.85	22.50	3632.84	3170.38
Jul-03	42.50	31.00	43.40	31.85	3835.75	3534.06
Aug-03	47.00	35.05	48.00	35.00	4277.64	3722.08
Sep-03	43.70	35.65	44.50	35.20	4473.57	4097.55
Oct-03	47.60	36.60	43.20	37.00	4951.11	4432.93
Nov-03	50.00	37.05	48.00	36.60	5135.00	4736.70
Dec-03	70.90	44.00	64.40	42.00	5920.76	5082.82
Jan-04	63.95	45.10	59.80	46.00	6249.60	5567.68
Feb-04	48.60	43.20	50.00	38.05	6082.80	5550.17
Mar-04	47.90	36.20	47.00	36.50	5951.03	5324.78

Pursuant to the Application made by the Company to The Delhi Stock Exchange Association Ltd (DSE) and The Stock Exchange, Ahmedabad (ASE) for Voluntarily Delisting of Equity Shares in terms of SEBI (Delisting of Securities), Guidelines, 2003, the DSE and ASE have delisted the Company's Equity Shares from their Exchanges w.e.f. 29.12.2003 and 19.01.2004 respectively.

**Registrar and Transfer Agents:**

M/s Sharepro Services, Satam Estate, 3<sup>rd</sup> 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 31.03.2004:**

Category	No. of Shares held	% of Shareholding
Promoters	7173357	68.55
Mutual Funds and UTI	1900	0.02
Banks, Financial Institutions & Insurance Cos.	500	0.01
Private Corporate Bodies	360144	3.44
Indian Public	2797912	26.74
NRIs/OCBs	108810	1.04
Directors & Relatives *	21000	0.20
<b>GRAND TOTAL #</b>	<b>10463623</b>	<b>100.00</b>

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

# Excluding 1600 forfeited Equity Shares.

**Distribution of holding as on 31.03.2004:**

No. of Shares From To	No. of Shareholders		No. of Shares	
	Number	%	Number	%
Less than 501	9209	93.11	1258374	12.03
501 - 1000	340	3.44	284068	2.71
1001 - 2000	148	1.51	230987	2.21
2001 - 3000	64	0.65	167137	1.60
3001 - 4000	25	0.25	86252	0.91
4001 - 5000	20	0.20	94057	0.82
5001 - 10000	33	0.33	223110	2.13
10001 & above	50	0.51	8119638	77.59
<b>Total</b>	<b>9889</b>	<b>100.00</b>	<b>10463623</b>	<b>100.00</b>

**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, 4<sup>th</sup> floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> floor, Dalal Street, Mumbai 400 023, under ISIN No. INE372C01011, common for both. 21.06% of Company's Share Capital are dematerialised as on 31.03.2004

The Company's shares are regularly traded on the Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

**Outstanding GDRs/ ADRs/ Warrants etc – N I L**
**Plant Locations:**

Company's Plants are located at :

Unit I &  
Unit II (ATLAS WIRES - SLIVASSA)  
Plot Survey No.125, 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 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 intense.

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. Despite the decline in the production of about 867 MT at Palej Plant, the overall total production of Finished Goods during the year under review is 12,233 MT (11851), a marginal increase of about 3%. Continuous and on-going modernization of Plant & Process at Silvassa is in progress. Two more Modern Imported Plants shall be received and installed during the current Fiscal Year. Overall performance of the Company including cash flow generated during the year is very satisfactory.

**d. Outlook:**

The Copper is our principal Input. Import Duty thereon continues to be very high (effective rate about 21%), 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 continues to cloud 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, so as to provide level-playing-field to domestic industry.

While our performance during the year under review is very satisfactory, competition from both Domestic and Overseas continues to be severe and there may be squeeze on the margin during the current Fiscal.

We are a power-deficit Nation. Massive capacity-addition in Electricity Power Sector is only a matter of time. In the circumstances, for certain core-sectors of economy, & particularly with regard to power & infrastructure sectors, the Policy is unlikely to change. Therefore, demand of our products from Domestic Electric Equipment Manufacturing Sector is likely to go up. Improved living standards of

people due to rapid industrialization may usher increase in demand of Electrical Equipments, Auto-Mobiles, White Goods, Air Conditioners, Appliances, Fans, Consumer Electronic goods etc.

Overall outlook for the future is encouraging considering vast market potential in the Country; unless the process of liberalization is reversed by unforeseen events.

**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:**

Despite the lower production at our Palej Unit, overall production during the year under review is marginally more than the previous year. Due to rise in the price of our Principal Input, Copper, Sale's Income net off Taxation was higher at about 19443 Lakhs. Inventory, Sundry Debtors and Creditors are also higher consequently. Work-In-Progress appearing as at 31<sup>st</sup> March 2004 is about 117 Lakhs (411 Lakhs).

Provision for loss on scrapping of Fixed Assets (Machinery) for Rs.62.34 Lakhs has been made in P & L Account during the year. As required under Accounting Standards 22 Deferred Tax Assets 7.63 Lakhs (liability Rs 110.76 Lacs) has been provided, which, being non-cash provision only, will not affect Profits of the Company. Please refer to the Schedule 4.

The amount of Rs.13.62 Lakhs is towards Foreign Exchange Loss (net) while remitting payment to the various Supplier of Raw Materials, appearing in Schedule 12

During the year, Loss on sale of Investment (BOB Liquid Fund —Dividend Option ) of Rs.21.43 Lakhs does not represent actual loss incurred on investment as NAV, soon after declaration of Dividend by the above Fund, naturally went down and at that time we needed the funds for our operational purposes. Please refer to Schedule 10 wherein Income of Rs.23.63 Lakhs from Investment is shown and the same is inclusive of 21.53 lakhs received towards Dividend from the above BOB Liquid Fund.

Net profit before tax and extra ordinary items such as interest, depreciation, etc for the year under review is 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. On-going training programmes at various levels was undertaken. Industrial relations during the year were satisfactory. The company continues to pursue various options available, including man power rationalization and productivity norms for the high-cost Palej Unit. This matter is engaging attention since quite some time due to the decision of your Company to pursue the same with human face.



---

**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 2004, 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 Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (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 and Profit and Loss account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the 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 31<sup>st</sup> March, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2004 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, 2004 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, 25th June, 2004**

---

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


---

**ANNEXURE TO THE AUDITORS' REPORT**

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.
- ii. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. In our opinion, the company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted / taken any loans secured or unsecured, to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956, clauses iii(b), iii(c) and iii(d) of paragraph 4 of the Order are not applicable.
- iv. 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 for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us the transactions exceeding Rs. five lakhs each have been made at prices, which are reasonable having regard to the prevailing market prices, for such goods, materials or services at the relevant time.

- vi. The Company has not accepted deposits from the public. Hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the rules framed thereunder are not applicable to the Company. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209 (1) (d) of the Companies act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty and cess as applicable to it.
- (b) As at 31<sup>st</sup> March 2004 according to the records of the Company, the following are the particulars of disputed dues on account of sales-tax, income-tax, custom duty, wealth tax, excise duty and cess matters that have not been deposited

Nature of Statute	Nature of Dues	Amount (Rs)	Forum where dispute is pending
Gujarat Sales Tax Act	Sales Tax	11,14,630/-	Appellate Tribunal
Central Sales Tax Act	Sales Tax	1,14,892/-	Assessing Authority
Wealth Tax Act	Wealth Tax	3,40,128/-	CIT (Appeals)
Income Tax Act	Income Tax	13,08,156/-	CIT (Appeals)
Central Excise Act	Excise Duty	4,55,000/-	Appellate Tribunal

- x. The Company has neither accumulated losses as at 31<sup>st</sup> March, 2004 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank or to debenture holders during the year.

---

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

---

- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv. In our opinion and according to the information and explanation given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. The Company has not raised any money by public issue during the year.
- xx. The Company has not issued any debentures
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For S.R. Divatia & Co.**  
*Chartered Accountants*

**Shalin S Divatia**  
*Partner*  
*Membership No 39755*

**Mumbai,**  
**Dated, 25th June, 2004**

---

To the Members 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 31<sup>st</sup> March, 2004, 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*  
*Membership No 39755*

**Mumbai,**  
**Dated, 25th June, 2004**

---

**BALANCE SHEET AS AT 31ST MARCH, 2004**


---

	Sch.	<u>As at 31.3.2004 Rupees</u>		<u>As at 31.3.2003 Rupees</u>
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	1	104,644,230	104,644,230	
Reserves and Surplus	2	<u>633,641,096</u>	<u>738,285,326</u>	541,643,281
				<u>646,287,511</u>
<b>LOAN FUNDS</b>				
Secured Loans	3	81,000,000		64,515,319
Deferred Tax Liability	4	<u>81,572,377</u>		<u>82,335,206</u>
<b>TOTAL</b>		<u><b>900,857,703</b></u>		<u><b>793,138,036</b></u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	5	746,089,354	647,928,218	
Less : Depreciation		<u>228,686,157</u>	<u>201,371,831</u>	
Net Block		517,403,197	446,556,387	
Capital Work-in-Progress		<u>11,739,427</u>	<u>41,116,224</u>	
			529,142,624	487,672,611
<b>INVESTMENTS</b>	6		17,560,000	1,425,976
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories		182,982,301	174,237,544	
Sundry Debtors		455,457,362	340,822,640	
Cash and Bank Balances		88,611,731	95,903,430	
Loans and Advances		51,491,069	41,549,653	
Other Current Assets		<u>6,990,928</u>	<u>13,834,926</u>	
		<u>785,533,391</u>	<u>666,348,193</u>	
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>	8			
Current Liabilities		413,758,273	336,323,149	
Provisions		<u>20,084,267</u>	<u>29,531,033</u>	
		<u>433,842,540</u>	<u>365,854,182</u>	
<b>NET CURRENT ASSETS</b>	(7-8)		351,690,851	300,494,011
<b>MISCELLANEOUS EXPENDITURE</b>				
(to the extent not written off)	9		2,464,228	3,545,438
<b>TOTAL</b>		<u><b>900,857,703</b></u>		<u><b>793,138,036</b></u>
<b>Significant Accounting Policies and Notes on Accounts</b>	14			

As per our report of even date.

**For S.R. Divatia & Co.**  
Chartered Accountants

**Shalin S. Divatia**  
Partner

Mumbai,  
Dated 25th June, 2004

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 25th June, 2004

**PROFIT & LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2004**

	Sch.	<u>2003/04 Rupees</u>	<u>2002/03 Rupees</u>
<b>INCOME</b>			
Sales and Processing Income	#	2,273,138,797	1,964,110,412
Less: Excise Duty	**	<u>328,790,163</u>	<u>291,988,770</u>
Net Sales		1,944,348,634	1,672,121,642
Other Income	10	10,388,213	5,165,767
<b>TOTAL</b>		<b><u>1,954,736,847</u></b>	<b><u>1,677,287,409</u></b>
<b>EXPENDITURE</b>			
Operating Expenses	# 11,12	1,736,592,211	1,472,012,371
Interest	13	6,325,226	8,909,705
Depreciation	5	<u>36,725,885</u>	<u>32,697,492</u>
<b>TOTAL</b>		<b><u>1,779,643,322</u></b>	<b><u>1,513,619,568</u></b>
<b>Profit before Taxes</b>		175,093,525	163,667,841
Add/(Less): Provision for Income Tax		(48,900,000)	(49,500,000)
Add/(Less): Provision for Wealth Tax		(17,000)	(21,000)
Add/(Less): Provision for Deferred Tax		762,829	(11,076,396)
Add/(Less): Income Tax Adjustments		471,286	2,946,136
<b>Profit after Taxes</b>		<u>127,410,640</u>	<u>106,016,581</u>
Add : Balance brought forward		<u>20,444,780</u>	<u>11,438,233</u>
		147,855,420	117,454,814
<b>Less : Appropriations:</b>			
Transfer to General Reserve		(95,000,000)	(67,500,000)
Interim Dividend @ Rs. 1.30 (Rs. NIL) per Equity Share		(13,602,709)	-
Proposed Dividend @ Rs. 1.70 (Rs. 2.50) per Equity Share		(17,788,159)	(26,159,058)
Provision for Corporate Tax on Interim Dividend		(1,742,848)	-
on Proposed Dividend		<u>(2,279,108)</u>	<u>(3,350,975)</u>
Balance carried forward		<b><u>17,442,596</u></b>	<b><u>20,444,781</u></b>
Basic and Diluted Earning per Share of Rs. 10/- each (in Rs.)		12.18	10.13

# Please refer Note 7 - Schedule 14.

\*\* The above amount of Excise Duty of Rs. 32,87,90,163/- (Rs. 29,19,88,770/-) includes an amount of Rs. 89,46,162/- (Rs. 43,65,940/-) towards valuation of inventories as at 31.3.2004 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 25th June, 2004

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 25th June, 2004

---

**SCHEDULES TO BALANCE SHEET**


---

	As at 31.3.2004 Rupees	As at 31.3.2003 Rupees
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
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>
	<b><u>150,000,000</u></b>	<b><u>150,000,000</u></b>
<b>ISSUED :</b>		
10,465,223 (10,465,223) Equity shares of Rs. 10/- each.	<u>104,652,230</u>	<u>104,652,230</u>
<b>SUBSCRIBED :</b>		
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>
	<b><u>104,644,230</u></b>	<b><u>104,644,230</u></b>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
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	507,500,000	440,000,000
Add: Transfer from Profit & Loss Account	<u>95,000,000</u>	<u>67,500,000</u>
	602,500,000	507,500,000
Balance in Profit and Loss Account	<u>17,442,596</u>	<u>20,444,781</u>
<b>TOTAL</b>	<b><u>633,641,096</u></b>	<b><u>541,643,281</u></b>
<b>SCHEDULE 3 : SECURED LOANS</b>		
Term Loans		
- From a Bank	-	10,984,302
- Interest accrued and due to Bank	-	<u>7,142</u>
		10,991,444
Working Capital borrowings from Banks	<u>81,000,000</u>	<u>53,523,875</u>
<b>TOTAL</b>	<b><u>81,000,000</u></b>	<b><u>64,515,319</u></b>
(Please refer Note 3 of Schedule 14)		
<b>SCHEDULE 4 : DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability arising on account of		
Depreciation	84,331,248	82,712,124
Unamortized/ Unpaid Expenditure	196,600	1,452,461
Retirement benefits	<u>(357,674)</u>	<u>6,795</u>
	84,170,174	84,171,380
LESS :		
Deferred Tax Assets arising on account of:		
Unamortized/ Unpaid Expenditure	(441,091)	(455,593)
Retirement benefits	<u>(2,156,706)</u>	<u>(1,380,581)</u>
	<u>(2,597,797)</u>	<u>(1,836,174)</u>
	<b><u>81,572,377</u></b>	<b><u>82,335,206</u></b>

**SCHEDULES TO BALANCE SHEET**
**SCHEDULE 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2003	Additions	Sale/ Adjustment	As at 31.03.2004	Upto 01.04.2003	For the year	On Sale/ Adjustment	Upto 31.03.2004	As at 31.03.2004	As at 31.03.2003
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Land	2,708,705	-	-	2,708,705	-	-	-	-	2,708,705	2,708,705
Buildings	81,486,248	4,336,188	-	85,822,436	17,332,481	2,492,517	-	19,824,998	65,997,438	64,153,767
Plant And Machinery	531,421,831	108,241,717	(15,793,516)	623,870,032	167,745,301	31,226,555	(8,486,003)	190,485,853	433,384,179	363,676,530
Technology Transfer Cost	4,772,781	1,439,904	-	6,212,685	2,386,709	941,925	-	3,328,634	2,884,051	2,386,072
Vehicles	6,970,066	522,165	(997,314)	6,494,917	3,095,306	601,905	(883,728)	2,813,483	3,681,434	3,874,760
Office Equipments	11,401,414	351,520	(65,538)	11,687,396	6,549,098	877,918	(41,828)	7,385,188	4,302,208	4,852,316
Furniture & Fixtures	9,167,173	126,010	-	9,293,183	4,262,936	585,065	-	4,848,001	4,445,182	4,904,237
<b>TOTAL</b>	<b>647,928,218</b>	<b>115,017,504</b>	<b>(16,856,368)</b>	<b>746,089,354</b>	<b>201,371,831</b>	<b>36,725,885</b>	<b>(9,411,559)</b>	<b>228,686,157</b>	<b>517,403,197</b>	<b>446,556,387</b>
Previous Year	(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)
Capital Work in Progress (Including Advances on Capital Account)									11,739,427	41,116,224
									<b>529,142,624</b>	<b>487,672,611</b>

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

 As at  
31.3.2004  
Rupees

 As at  
31.3.2003  
Rupees

**SCHEDULE 6 : INVESTMENTS**

(Other than Trade Investments, at cost)

**Long Term :**
**UNQUOTED**

Government Securities -

 6 years National Savings Certificates  
(deposited with Government Authorities)

10,000

20,000

**Other Investments :**
**QUOTED**

 30,000 (30,000) Equity Shares of  
Rs. 10/- each of Bank of Baroda fully paid  
(Market Value Rs. 72,81,000/- (Rs. 25,77,000/-))

2,550,000

2,550,000

 1482536 (NIL) Units of Rs. 10/- each  
of BOB Liquid (Dividend) Fund  
(Repurchase Value Rs. 1,50,46,552/- (NIL))

15,000,000

-

17,550,000

2,550,000

Provision for Decline in value of investments

-

17,550,000

(1,144,024)

1,405,976

**TOTAL**
**17,560,000**
**1,425,976**

---

**SCHEDULES TO BALANCE SHEET**


---

	As at 31.3.2004 Rupees	As at 31.3.2003 Rupees
<b>SCHEDULE 7 :</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES.</b>		
<b>INVENTORIES</b> (At lower of cost or net realisable value)		
Material in Transit	-	3,223,425
Raw Material	38,364,131	59,761,633
Work in Progress	24,146,059	21,209,627
Finished Goods	91,760,015	61,343,813
Stores, Spares and Consumables	13,867,067	15,659,174
Reels and Packing Material	14,213,562	13,003,277
Copper Scrap	<u>631,467</u>	<u>36,595</u>
	182,982,301	174,237,544
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months.	3,976,916	2,663,812
Others	<u>451,480,446</u>	<u>338,158,828</u>
	455,457,362	340,822,640
<b>CASH AND BANK BALANCES</b>		
Cash on hand	1,067,590	986,376
Balances with Scheduled Banks	78,222,863	76,993,186
In Current Accounts		
In Term Deposits		
I) Under lien with Bank	2,016,584	1,916,584
ii) Others	178,311	273,857
In Margin Money Accounts	285,399	209,938
In Dividend Accounts	1,939,518	1,431,284
Cheques in Hand	<u>4,901,466</u>	<u>14,092,205</u>
	88,611,731	95,903,430
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received	23,754,522	7,864,781
Deposits	7,777,561	10,769,961
Advance Payment of Taxes (net)	2,877,861	344,081
Balance with Customs and Central Excise Authorities	<u>17,081,125</u>	<u>22,570,830</u>
	51,491,069	41,549,653
<b>OTHER CURRENT ASSETS</b>		
Interest accrued but not due	35,550	66,846
Export benefits accrued	<u>6,955,378</u>	<u>13,768,080</u>
	6,990,928	13,834,926
<b>TOTAL</b>	<b><u>785,533,391</u></b>	<b><u>666,348,193</u></b>



**SCHEDULES TO BALANCE SHEET**

	As at 31.3.2004 Rupees	As at 31.3.2003 Rupees
<b>SCHEDULE 8 :</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors		
(i) Total outstanding dues of small scale industrial undertakings	1,596,627	2,423,879
(ii) Total outstanding dues of creditors other than small scale industrial undertakings	<u>330,487,637</u>	<u>301,177,681</u>
	332,084,264	303,601,560
Security Deposits	968,000	986,000
Unclaimed Dividend *	1,939,518	1,435,009
Other Liabilities	<u>78,766,491</u>	<u>30,300,580</u>
	413,758,273	336,323,149
<b>PROVISIONS :</b>		
Provision for Wealth Tax	17,000	21,000
Proposed Dividend	17,788,159	26,159,058
Provision for Corporate Tax on Dividend	<u>2,279,108</u>	<u>20,084,267</u>
	20,084,267	3,350,975
	29,531,033	
<b>TOTAL</b>	<u><b>433,842,540</b></u>	<u><b>365,854,182</b></u>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

**SCHEDULE 9 : MISCELLANEOUS EXPENDITURE**

(To the extent not written off)

Preliminary Expenses	294,395	441,840
Deferred Revenue Expenditure	50,000	100,000
Amalgamation Expenses	<u>2,119,833</u>	<u>3,003,598</u>
<b>TOTAL</b>	<u><b>2,464,228</b></u>	<u><b>3,545,438</b></u>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

	2003/04 Rupees	2003/02 Rupees
<b>SCHEDULE 10 : OTHER INCOME</b>		
Interest (Tax Deducted at Source Rs. 11,11,193/- (Rs.1,54,432/-))	5,665,412	1,604,737
Income from Investments *	2,362,883	287,703
Miscellaneous Receipts	1,024,230	1,280,347
Foreign Exchange Gain / Loss (net)	-	206,445
Excess/(Short) Provision of Previous Years	191,664	1,174,127
Provision for decline in value of investment written back	<u>1,144,024</u>	<u>612,408</u>
<b>TOTAL</b>	<u><b>10,388,213</b></u>	<u><b>5,165,767</b></u>

\* Refer Note B-9, of Schedule 14

---

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**


---

	2003/04 Rupees	2002/03 Rupees
	<hr/>	<hr/>
<b>SCHEDULE 11 :</b>		
<b>(A) (ACCRETION)/DECRETION TO STOCK</b>		
Stock at close		
Finished Goods	(88,901,912)	(61,343,813)
Copper Scrap	(631,467)	(36,595)
Wire Enamel	(2,858,103)	-
	<hr/>	<hr/>
	(92,391,482)	(61,380,408)
LESS : Stock at commencement		
Finished Goods	61,343,813	58,200,730
Copper Scrap	36,595	389,404
	<hr/>	<hr/>
	61,380,408	58,590,134
<b>(ACCRETION) / DECRETION</b>	<b><u>(31,011,074)</u></b>	<b><u>(2,790,274)</u></b>
<b>(B) MATERIAL CONSUMED</b>		
Stock at commencement		
Copper Wire Rods	33,132,051	4,495,393
Work-in-progress	21,209,627	26,709,944
Enamels & Chemicals (Refer Note B-2C of Schedule 14)	29,853,007	18,116,330
	<hr/>	<hr/>
	84,194,685	49,321,667
Add: Purchases		
Copper Wire Rods	1,375,844,759	1,131,429,312
Enamels & Chemicals	118,487,349	129,925,735
	<hr/>	<hr/>
	1,494,332,108	1,261,355,047
Less: Stock at close		
Copper Wire Rods	(15,146,783)	(33,132,051)
Work-in-progress	(24,146,059)	(21,209,627)
Enamels & Chemicals	(23,217,348)	(29,853,007)
	<hr/>	<hr/>
	(62,510,190)	(84,194,685)
	1,516,016,603	1,226,482,029
Cost of Material Purchased and Sold	533,383	-
Material Consumed	<u>1,516,549,986</u>	<u>1,226,482,029</u>
Total Material Consumed (A + B)	<b><u>1,485,538,912</u></b>	<b><u>1,223,691,755</u></b>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

	2003/04 Rupees	2002/03 Rupees
<b>SCHEDULE 12:</b>		
<b>MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES</b>		
Packing Material Consumed	22,621,240	22,474,238
Stores and Spares	16,735,489	18,702,815
Power and Fuel	68,955,189	71,788,408
Repairs and Maintenance		
Building	1,812,492	1,286,165
Machineries	12,378,655	11,706,567
Other Assets	1,340,530	1,644,361
Payments and provisions for employees		
Salary, Wages, Bonus etc.	40,289,141	40,435,816
Staff and Labour Welfare	1,223,908	1,305,097
Contributions to Provident and other Funds	4,286,063	3,737,243
Directors' Sitting Fees	153,000	125,000
Rent	1,700,947	1,755,264
Rates and Taxes	1,623,797	1,984,769
Travelling Expenses	3,341,070	2,692,251
Insurance	2,172,597	1,676,000
Freight and Transportation	25,564,894	22,945,167
Commission on Sales	9,926,134	10,227,305
Bad Debts Written Off	-	3,147,284
Goods lost in transit	-	384,614
Other Expenses	25,712,091	22,086,754
Foreign Exchange Loss (net)	1,362,366	-
Loss on sale of investment (incl write off of Rs. 10,000/- (NIL))	2,152,794	211,609
Loss on Sale of Assets (net)	385,326	92,452
Provision for loss on Fixed Assets scrapped/discarded	6,234,367	6,830,506
Preliminary / Deferred Expenses Written Off	197,445	197,445
Amalgamation Expenses Written Off	883,764	883,486
<b>TOTAL</b>	<b><u>251,053,299</u></b>	<b><u>248,320,616</u></b>

**SCHEDULE 13 : INTEREST**

Interest on Fixed Loans	210,873	3,686,637
Other Interest (Banks & Others)	6,114,353	5,223,068
<b>TOTAL</b>	<b><u>6,325,226</u></b>	<b><u>8,909,705</u></b>

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

### A SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis of Accounting:

The Financial Statements have been prepared under the 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. 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.
- iii Depreciation on additions to assets or on sale of assets as the case may be is calculated pro-rata from the month of such addition or upto the month of such sale.
- 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 is made for decline in the market value of Investments, where applicable.

#### 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 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 Gratuity Benefits are accounted for on the basis of amount determined by actuarial valuation made by Life Insurance Corporation of India and are funded accordingly by the approved Trust. Contribution made to LIC is charged to Profit and Loss Account, except in case of certain employees, where 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 :

	Rs. Lakhs 2003/04	Rs. Lakhs 2002/03
a. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for	67.21	147.18
b. Guarantees given by Bank to third parties	507.74	317.03
c. Claims made against the Company not acknowledged as debts	2.21	2.21
d. Income Tax Demands (not acknowledged) against which Company has preferred an appeal	106.74	39.31
e. Wealth Tax Demands (not acknowledged) against which Company has preferred an appeal	3.40	0.00
f. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal before CEGAT , Special Bench, "B" New Delhi	4.55	4.55
g. Disputed demand of Gujarat Electricity Board pending at Apex Court	4.22	4.22
h. In respect of matter pending in labour court, estimated at .....	0.75	1.15
i. No provision has been made in the accounts for the liability arising on revision, if any, in the salary and wages of the employees at Palej Unit due and pending from 1st January 2004 and the same shall be accounted on finalisation of agreement with the employees.		



**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	427 (443)	52107085 (47810197)
5 Others		1031400 (236980)

(In addition, Excise Duty paid Rs. 5,62,260/- ( Rs.4,13,754/-)  
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	266 (41)	29908626 (4495393)	99 (266)	15146783 (29908626)
2	Copper in Transit	29 (0)	3223425 (0)	0 (29)	0 (3223425)
3	Enamels & Chemicals	277 (150)	29853007 (18116330)	208 (277)	23217348 (29853007)
4	Material under process	169 (214)	21209627 (26709944)	144 (169)	24146059 (21209627)
5	Finished Goods				
	(a) - Enamelled Round Copper Winding Wires	373 (360)	61343813 (57789405)	404 (373)	88901912 (61343813)
	(b) - Wire Enamel	0 (4)	0 (411325)	27 (0)	2858103 (0)
6	Copper Scrap	393 Kgs (4)	36595 (389404)	4 (393 Kgs)	631467 (36595)

**2 (D) Raw Material Consumed**

Sr. No. _____	Description	M.Tons (Rounded Off)	Rupees
1	Copper		
	a) Own Account	# 10932 (10184)	1390893595 (1108292971)
	b) Supplied by customers for production of Enamelled Wire on Job Work basis	1417 (1803)	Not Applicable (Not Applicable)
	c) For Bare Copper Wire produced		
	For Inter Unit Transfer on job work basis Unit I	288	+
	For Inter Unit Transfer on job work basis Unit II	288	+
	For Inter Unit Transfer on job work basis Palej Unit	0	+
		576	+
		(1684)	(+)

# / + 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	1320 (1149)	125123008 (118189058)
----------------	----------------	--------------------------

[Includes chemicals used for production of enamels  
616 MT (421 MT) / Rs.4,86,50,893/- (Rs.3,39,38,165)]

b) Supplied by customers for production of enamelled copper wires on Jobwork basis.	15 (45)	Not Applicable (Not Applicable)
---	------------	------------------------------------

**SCHEDULE 14: SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**
**B. NOTES ON ACCOUNTS (Contd.)**

	2003/04 Rupees	2002/03 Rupees
<b>2 (E) Value of Imports calculated on CIF Basis.</b> (Including Material in Transit)		
1. Raw Materials	39077729	43868711
2. Consumable Stores & Spares and repairs to Plant	2911188	9744374
3. Capital Goods	35081802	31123136
<b>2 (F) Value of Raw Materials and Stores &amp; Spares consumed:</b>		
	<u>Percentage</u>	<u>Value</u>
a. Raw Materials :		
Imported	4 (4)	53755484 (51091888)
Indigenous	96 (96)	1462261119 (1175390141)
	<u>100</u> (100)	<u>1516016603</u> (1226482029)
b. Stores & Spares :		
Imported	37 (40)	6111364 (7526997)
Indigenous	63 (60)	10624125 (11175818)
	<u>100</u> (100)	<u>16735489</u> (18702815)
	<u>2003/04</u> Rupees	<u>2002/03</u> Rupees
<b>2 (G) Expenditure in foreign Currency</b>		
Technology Transfer Cost	1041816	0
Testing/Membership Fees	19625	10230
Miscellaneous payments	64818	0
Travelling	605458	550313
<b>2 (H) Amount of Dividend remitted during the year in foreign currency</b>	NIL	NIL
<b>2 (I) Earnings in Foreign Exchange Export of Goods on FOB Basis</b>	2576482	1188723
<b>2 (J) Remuneration to Auditors (Including Service Tax as applicable)</b>		
i) Remuneration to Auditors		
(a) Audit Fees.	216000	162000
(b) Tax Audit Fees.	32400	32400
(c) Certification Fees.	22066	12000
(d) Taxation Matters.	49500	21000
(e) Others	0	109500
<b>Total</b>	<u>319966</u>	<u>336900</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.)**

	2003/04 Rupees	2002/03 Rupees
<b>2 (K) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :</b>		
Manufacturing	0	(847519)
Administration & Selling Expenses	(191664)	(76608)
Sales Tax	0	(250000)
	(191664)	(1174127)
<b>2 (L) (a) Computation of profits in accordance with Section 198 of the Companies Act, 1956 :</b>		
Net Profit before Tax	175093525	163667841
Add :		
Directors' Remuneration *	10935922	8783340
Directors' sitting fees	153000	125000
Loss on sale of Investments	2152794	211609
Loss on sale of assets	385326	92452
Provision for decline in value of investments (Written back)	(1144024)	(612408)
Preliminary/Deferred Revenue Expenses	197445	197445
Amalgamation Expenses written off	883764	883486
	188657752	173348765
Net Profit for Section 198 of the Companies Act	188657752	173348765
10 % (10%) of Net Profit as above	18865775	17334877
Commission payable @ 1% (1%) of Net Profit as above to each of three Directors	5659733	5200463
Total 3% (Previous Year 3%)		
Restricted to 50% of salary of each Working Director	2850000	2335000
<b>(b) Remuneration paid / payable during the year to Managing / Whole time Directors*</b>		
Salary	5700000	4670000
Leave Encashment	0	289400
Leave Travel Allowance	900000	187500
House Rent Allowance	300000	300000
Perquisites	501922	441040
Contribution to Provident & Pension Funds	684000	560400
Contribution to Gratuity Fund	0	0
	8085922	6448340
Commission	2850000	2335000
	10935922	8783340

\* Excluding Provision for Gratuity Rs. 10,09,615/- (Rs.11,25,001/-) other than on actuarial valuation and provision for leave salary Rs. 8,78,269/- (Rs. 2,33,900/-)



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

### B. NOTES ON ACCOUNTS (Contd.)

3 Working Capital Borrowings 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. 29,22,442/- (Rs. 15,45,413/-) + b) Rs 19,81,215/- (Rs.6,11,223/-) + c) Rs. 40,42,505/- (Rs.22,09,304/-) for individual Units aggregating to Rs. 89,46,162/- (Rs.43,65,940/-) 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.89,46,162/- (Rs. 43,65,940/-) included in the amount of Excise Duty of a) Rs. 15,97,08,447/- (Rs. 12,21,36,989/-) + b) Rs. 8,54,83,610/- (Rs. 729,84,071/-) + c) Rs. 8,35,98,106/- (Rs.9,68,67,710/-) for individual Units, aggregating to Rs. 32,87,90,163/- (Rs.29,19,88,770/-) 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 Accountants 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	2003-04 Rupees	2002-03 Rupees	
Rent Paid	834240	834240	Relatives
Security Deposit Given for Premises (Paid in Prior Year)	5300000	5300000	Relatives
Remuneration	10935922	8783340	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

	2003/04 Rupees	2002/03 Rupees
Sales & Processing Income / Purchase - Copper Wire Rods	1949013	5625165
Sales & Processing Income / Purchase - Enamels etc.	52435563	35690122
Sales & Processing Income / Stores & Spares / Packing	1823994	888225
Other Income / Rent paid	0	4022508
Other Income / Interest Paid	0	1680000
Other Income / Other Expenses	90000	90000
Sundry Creditors / Lease Rent Deposit (paid in prior years)	0	14000000

b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March 2004 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 :

Sr. No.	Scheme	Face Value Rs	No. of Units Purchased & Sold	Amount Invested Rs
1	BOB Liquid (Growth) Fund	10/-	13,54,831	1,50,00,000
2	BOB Liquid (Dividend) Fund	10/-	45,20,201	5,00,00,000

9 Income from Investments consists of (a) Dividends from Companies Rs. 2,10,000/- (Rs 2,14,000/-) and (b) Dividends from Units of Mutual Funds - Rs. 21,52,883/- (Rs. 73,703/-)

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

- 1) Roots Cooling Systems (P) Ltd Rs. 13000/-
- 2) Xclusive machineries P Ltd Rs. 99400/-
- 3) Prapan Enterprises Rs. 127000/-
- 4) Intec Polymers Ltd Rs. 266992/-
- 5) Hi-Tech Plast Rs. 223659/-

The amounts due to the above SSI Sundry Creditors (Sr.No. 1 to 4) are in accordance with the terms of the contracts and since paid fully (Sr.No. 2 to 4) and for Hi-Tech Plast (Sr. No. 5), the matter is in dispute.

11 During the year, the Company has made a provision for loss of Rs. 62,34,367/- (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, during the year, Machinery spares of an aggregate purchase cost of Rs. 15,70,555/- (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. During the year, the written down value of such capitalised spares actually put to use, aggregating to Rs. 10,73,146/- (Rs. NIL) is charged to Profit and Loss Account under the head "Repairs and Maintenance, Machineries". The original cost and accumulated depreciation thereof has been reduced from the Block of Fixed Assets.

**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.

	2003-04	2002-03
a Profit after tax	127410640	106016581
b Number of Shares	10463623	10463623
c EPS	12.18	10.13
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 25th June, 2004

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 25th June, 2004

**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     2004

**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	900858	Total Assets	900858
-------------------	--------	--------------	--------

*Sources of Funds :*

Paid-up Capital	104644	Reserves & Surplus	633641
Secured Loans	81000	Unsecured Loans	0
Deferred Tax Liability	81573		

*Application of Funds :*

Net Fixed Assets	529143	Investments	17560
Net Current Assets	351691	Misc. Expenditure	2464
Accumulated Losses	NIL		

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

Turnover	2283527	Total Expenditure	2108433
+ Profit/ -Loss Before Tax	175094	+Profit/ -Loss After Tax	127411
Earning Per Share Rs.	12.18	Dividend Rate %	30

**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

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

Mumbai,  
 Dated 25th June, 2004

————— CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2004. —————

	Rupees in Lacs	
	31.03.2004	31.03.2003
<b>A. Cash Flow From Operating Activities</b>		
<b>Net profit before tax and extraordinary items</b>	1,750.94	1,636.68
<b>Add / (Deduct) : Adjustments for</b>		
Interest	63.25	89.10
Depreciation (net)	367.26	326.97
Preliminary Expenses / Deferred Revenue Written off	1.97	1.97
Amalgamation Expenses Written off	8.84	8.83
(Profit)/Loss on sale of assets	3.85	0.92
Imported Spares Written off	10.73	0.00
(Refer Note No 12 in Notes to Accounts Sch 14)		
Provision for Loss on Fixed Assets Scrapped / Discarded	62.34	68.31
Profit / Loss on sale/write-off of Investment	21.53	2.12
Provision for Decline in Value of Investments Written Back	(11.44)	(6.12)
Income from investments	(23.63)	(2.88)
	<u>504.70</u>	<u>(2.88)</u>
<b>Operating Profit before working capital changes</b>	<b>2,255.64</b>	<b>2,125.91</b>
<b>Add / (Deduct) Adjustments for :</b>		
Trade & Other Receivables	(1,146.35)	(73.08)
Inventories	(87.45)	(484.16)
Trade & Other Payables	769.31	180.36
Loans & Advances	(74.08)	(58.87)
Other Current Assets	68.44	(87.58)
	<u>(470.13)</u>	<u>(87.58)</u>
<b>Cash generated from operations</b>	<b>1,785.51</b>	<b>1,602.58</b>
Interest paid	(63.25)	(89.10)
Direct Taxes paid (net of refunds)	(509.83)	(447.94)
	<u>(573.08)</u>	<u>(447.94)</u>
<b>Cash flow before extraordinary items</b>	<b>1,212.43</b>	<b>1,065.54</b>
Extraordinary items	-	(0.10)
	<u>-</u>	<u>(0.10)</u>
<b>Net cash from operating activities</b>	<b>1,212.43</b>	<b>1,065.44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)</b>		
Purchase of fixed assets (including Capital Work In Progress)	(860.08)	(966.55)
Proceeds from Sale of Fixed Assets	1.19	0.22
Investments In Units Of Mutual funds	(800.00)	(80.66)
Proceeds of sale of investments/Units of Mutual Funds	628.57	89.04
Income from Investments	23.63	2.88
	<u>23.63</u>	<u>2.88</u>
<b>Net cash generated / (used) in investing activities</b>	<b>(1,006.69)</b>	<b>(955.07)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in / (Repayment of) term loans	(109.91)	(347.79)
Increase / (Decrease) in Bank borrowings	274.76	177.53
Issue / (Redemption of shares)	-	-
Dividends paid	(443.50)	-
	<u>(443.50)</u>	<u>-</u>
<b>Net cash generated/(used) in financing activities</b>	<b>(278.65)</b>	<b>(170.26)</b>
<b>Net increase/(decrease) in cash equivalents</b>	<b>(72.91)</b>	<b>(59.88)</b>
<b>Cash and cash equivalents as at 1st April</b>	<b>959.03</b>	<b>1,018.91</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>886.12</b>	<b>959.03</b>

Note : Interest Income represents mainly amounts received from customers for delayed payments and income on Bank-Fixed- Deposits under lien with the Bank. Hence the Interest Income is considered as a part of the operational activities of the Company.

As per our report of even date.

**For S.R. Divatia & Co.**  
Chartered Accountants

**Shalin S. Divatia**  
Partner

Mumbai,  
Dated 25th June, 2004

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 25th June, 2004



**PRECISION WIRES INDIA LTD.**

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

**15TH ANNUAL GENERAL MEETING 2003-2004**

**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 **15th Annual General  
Meeting** of the Company to be held on **Thursday, 19th August, 2004** at 3.00 p.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

\*DP Id: \_\_\_\_\_ \*Client Id: \_\_\_\_\_

Reg. Folio No.: \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signature \_\_\_\_\_

Affix  
30 Paise  
Revenue  
Stamp

**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 FIFTHTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Thursday, 19th August, 2004** at the Hall of The Mysore Association, 1<sup>st</sup> 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.