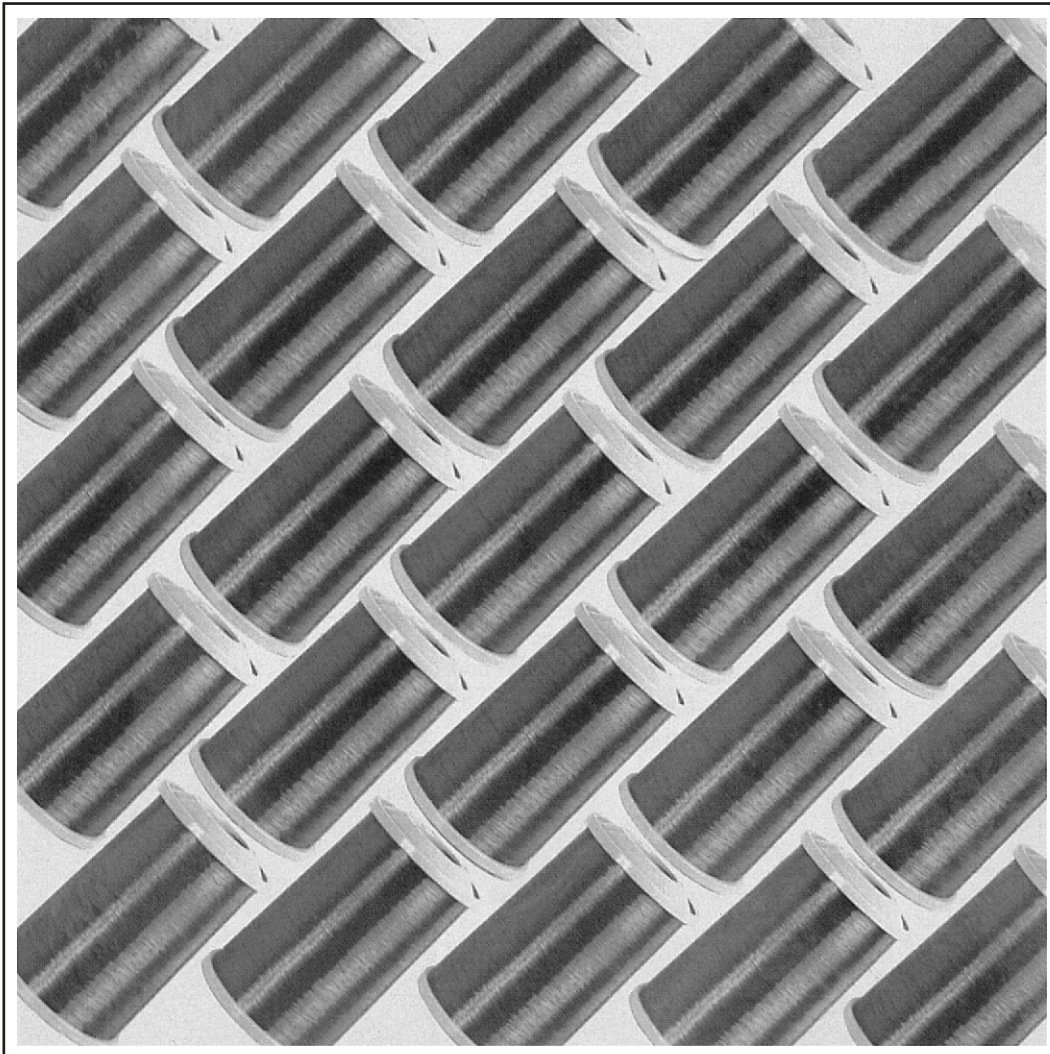


21st

Annual Report
2009-2010



PRECISION WIRES INDIA LIMITED

Financial Highlights

Rupees in Lacs

	2009/10	2008/09	2007/08	2006/07	2005/06
Equity Share Capital (Paid up)	1156.36	1156.36	1156.36	1046.36	1046.36
Reserves & Surplus	14690.29	13023.26	13015.32	9938.94	8734.27
Provision for Deferred Tax for the year - Expense/(Income)	149.02	74.63	200.97	324.38	184.70
Current Assets	21849.16	16263.92	22037.92	19180.25	14921.13
Current Liabilities	11806.35	7704.37	11868.96	11108.52	10854.76
Inventories	2871.95	4247.26	5430.45	3598.28	3375.98
Sundry Debtors	13742.37	7865.63	11546.42	11121.88	7993.86
Creditors	10194.97	6938.09	11352.26	10606.99	10410.63
Secured Loans	5408.71	6024.97	7338.04	6086.19	3554.44
Financial Charges	447.55	398.42	463.19	525.56	150.91
Depreciation	1087.82	1032.22	900.25	751.30	463.70
Income Tax	929.60	15.60	722.23	543.14	634.45
Dividend paid Rs. Per Equity Share	@ 4.40	0.80	3.6	3.5	3.5
Book Value per Shares Rs.	137.04	122.62	122.55	104.99	93.44
E.P.S. Rs.	19.56	1.00	15.16	16.04	17.25
No. of Shareholders	8378	7952	7884	7258	7825

@ Proposed



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

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

* Independent & Non-Executive Directors.

COMPANY SECRETARY : Mr. S. G. Sathe

BANKERS : Bank of Baroda, Palej 392 220, Dist. Bharuch, Gujarat
BNP Paribas, Fort, Mumbai

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

REGISTERED OFFICE : Saiman House, J. A. Raul Street,
Off Sayani Road, Prabhadevi, Mumbai - 400 025.
Telephone No. : (022) 2437 6281 • Fax : (022) 2436 2593
Email Id : mumbai@pwil.net

WORKS :

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

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

REGISTRARS AND TRANSFER AGENTS :

Sharepro Services (India) Private Limited
Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB,
2nd Floor, Sakinaka, Mumbai - 400 072.
Tel. No. : (022) 67720400 • Fax No. : (022) 67720416
Email Id : sharepro@shareproservices.com

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

Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 023.

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

 NOTICE TO MEMBERS

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Precision Wires India Limited will be held on 23rd July, 2010, at 2.30 p.m. at the Hall of The Mysore Association, 1st Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai - 400 019, to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare a dividend on equity shares.
- 3) To appoint a Director in place of Shri Vijay Mohan Crishna who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Ashwinkumar Kothari who retires by rotation under Article 128 of Articles of Association of the Company and is eligible for reappointment.
- 5) To appoint S. R. Divatia & Co., Chartered Accountants, as the Auditors of the Company and fix their remuneration.

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

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

Special Business:

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

RESOLVED THAT pursuant to and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956 or any statutory amendment or modifications thereto and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves the re-appointment of Shri Deepak M. Mehta as Whole-time Director of the Company for a period of Three years with effect from 1st August, 2010 to 31st July, 2013, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 13.5.2010, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which Letter of Appointment dated 13.5.2010 is hereby specifically approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the

Remuneration Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Deepak M. Mehta within and in accordance with and subject to the limits and conditions prescribed in Schedule XIII to the Companies Act, 1956, or any statutory amendments and modifications thereto, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between Board of Directors and Shri Deepak M. Mehta.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Deepak M. Mehta as Whole-time Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company computed under Section 198 of the Companies Act, 1956 and if the company has more than one managerial personnel, ten percent of such net profits for all such managerial personnel of the Company together in that financial year.

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

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

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

RESOLVED THAT pursuant to Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications, amendments or enactment thereof for the time being in force and as may be enacted from time to time (hereinafter referred to as "the Act") and subject to the approval of the Central Government and such other approvals or consents as may be necessary, the consent of the Company be and is hereby accorded to Mr. Nirbhay Deepak Mehta who is a relative of Mr. Deepak Mahendra Mehta, Whole-time Director, Mr. Mahendra Ratilal Mehta, Chairman and Managing Director and Mr. Milan Mahendra Mehta, Managing Director of the Company, to hold office and place of profit in the company for a period of three years with effect from 1st August, 2010 on remuneration and such



NOTICE TO MEMBERS

other terms and conditions as set out in the draft appointment letter initiated by the Chairman of the Company for the purpose of identification and placed before the Meeting which draft of the appointment letter is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Secretary of the Company be and are hereby severally authorized to make, sign and submit the application to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt that may arise in giving effect to this resolution, do all such acts, deeds and things, sign and execute all documents including the appointment letter to be issued to Mr. Nirbhay Deepak Mehta in terms of the draft approved at this meeting and other writings as may

be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

By Order of the Board

S. G. Sathe
Company Secretary

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

Mumbai
13th May, 2010.

Notes :-

- 1) Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of Item No. 6 & 7 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 17-7-2010 to 23-7-2010 (both days inclusive).
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services (India) Private Ltd., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2nd Floor, Sakinaka, Mumbai - 400 072, the Registrar and Share Transfer Agents of the Company.
- 5) The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid to those share holders whose names stand on the Register of Members as on 23rd July, 2010.
- 6) Members are requested to note that Dividends not encashed or remaining unclaimed within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred under Section 205 A of the Companies Act, 1956 to the Investors Education and Protection Fund (IEPF) established under Section 205 C of the said Act. Accordingly, Dividend for the Financial Year ended up to 31.03.2002 have been transferred to IEPF of the Central Government. Dividend for financial year ended 31.3.2003 declared on 22.9.2003 is due for such transfer to IEPF on or about 19.9.2010.
- 7) Shareholders who have not yet encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2003 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.
- 8) Members are requested to carry their Printed Annual Report at the time of attending the Meeting.

NOTICE TO MEMBERS

Notes : (Continued)

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

NAME OF THE DIRECTOR	Shri Vijay M. Crishna	Shri Ashwin P. Kothari
DATE OF BIRTH & AGE	8th March, 1945 AGE: 65 YEARS	14 th September, 1942 AGE: 68 Years
DATE OF APPOINTMENT	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 27.9.2008.	Appointed as Additional Director on 28.10.1998 and as Director on 23.07.1999 at the Annual General Meeting and thereafter re-appointed on retirement by rotation from time to time, the last such re-appointment being at the AGM held on 27.9.2008.
EXPERTISE IN SPECIFIC FUNCTION	Expertise in Engineering and I.T. Industry and extensive managerial experience.	Expertise in Ferrous and Non Ferrous Metal & Chemical Industries.
QUALIFICATIONS	B.A. (Economics)	S.B. (MIT)
LIST OF OTHER COMPANIES IN WHICH DIRECTORSHIP HELD AS ON 31 ST MARCH, 2010	(a) Godrej & Boyce Mfg. Co. Ltd. (b) Godrej Industries Ltd. (c) Godrej Agrovet Ltd.	a) Aroni Commercials Ltd. b) Geecee Ventures Limited (Formerly Gwalior Chemical Industries Ltd.) c) Five Star Trading & Investment Co. Ltd. d) Rajashree Holdings Ltd. e) Parke Avenue Engineering Ltd. f) Meenakshi Steel Industries Ltd. g) Jatayu Textiles & Industries Ltd. h) Sunayna Trade & Investment Co.Ltd i) Essel Mining & Industries Ltd. j) Aditya Birla Health Services Ltd. k) Sambhaw Finance & Trading Co. Ltd. l) Mahavir Box Manufacturing Pvt. Ltd. m) Sam-Jag- Deep Investments Pvt. Ltd. n) Vaibhav Medical & Education Foundation o) G. D. Birla Medical Research & Education Foundation
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 ST MARCH, 2010	–	Chairman- Shareholders Grievance Committee – Aroni Commercials Ltd.
SHAREHOLDING IN THE COMPANY	NIL	NIL

Shri Vijay M. Crishna and Shri Ashwin P. Kothari are interested in their own re-appointments and none of other Directors are in any way concerned or interested in the said re-appointments.

Your Directors commend your approval to the re-appointments of Shri Vijay M. Crishna and Shri Ashwin P. Kothari.



NOTICE TO MEMBERS

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (The Act).**Item No. 6.****Re-Appointment of Shri Deepak M. Mehta, Whole-time Director.**

The resolution at Item No. 6 of the Notice seeks approval of the Members in respect of the re-appointment and payment of remuneration to Shri Deepak M. Mehta as Whole-time Director of the Company. The present Term of Office of Shri Deepak M. Mehta as Whole-time Director expires on 31st July, 2010. The Board of Directors of the Company at its Meeting held on 13th May, 2010, has, subject to the approval of the Members of the Company in General Meeting and any other approvals as may be necessary, re-appointed Shri Deepak M. Mehta, vide letter of appointment dated 13-5-2010, as Whole-time Director for a further period of Three Years with effect from 01-08-2010 to 31-7-2013.

The Principal Terms and conditions as contained in the said Letter of Appointment dated 13-5-2010 are as under :

Period :

For 3 Years with effect from 01-08-2010 up to 31-7-2013.

Salary per month (p.m.):

From 1-8-2010 to 31-7-2011 – Rs. 2,25,000/- (Rs. Two lac twenty five thousand) p.m.

From 1-8-2011 to 31-7-2012 – Rs. 2,36,000/- (Rs. Two lac thirty six thousand) p.m.

From 1-8-2012 to 31-7-2013 – Rs. 2,48,000/- (Rs. Two lac forty eight thousand) p.m.

Commission :

In addition to salary, perquisites and other allowances, Commission at 1% based on the Net Profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956, subject to provisions of Section 198 and Section 309 and other applicable provisions, if any of the Companies Act, 1956.

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

Perquisites :**1. Housing:**

Rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Whole-time Director shall be entitled to house rent allowance as may be approved by the Board of Directors.

2. Medical Re-imburement

Reimbursement of medical expenses incurred for Shri Deepak M. Mehta and family.

3. Reimbursement of gas, electricity, water charges and furnishings.**4. Leave travel concession for Shri Deepak M. Mehta and family once in a year not exceeding one month's salary for each year. In case leave travel concession is not availed**

of in any year, the same shall be allowed to be accumulated subject to a maximum of three years.

5. Fees of clubs subject to a maximum of two clubs.
6. Personal accident insurance subject to a maximum premium of Rs. 15,000/- per annum.
7. Provision of car for business as well as for personal purposes with driver.
8. Telephone & Internet connection at the residence for business as well as personal use.
9. Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.
10. Earned / Privilege Leave on full pay and allowances : As per Rules of the Company but not more than one month's leave for every eleven months of service shall be allowed.

Shri Deepak M. Mehta shall also be paid the following perquisites, which shall not be included in the computation of the ceiling on the remuneration in the event the company has no profit or its profits are inadequate in any financial year during the aforesaid period:

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

Explanation : 'Family' means the spouse, dependent children and dependent parents of the Whole-time Director.

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

Other terms

- a) As long as Shri Deepak M. Mehta is functioning as Whole-time Director of the Company no sitting fees will be paid to him for the meetings of the Board of Directors or any Committee thereof attended by him.
- b) The Whole-time Director shall be entitled to reimbursement of all actual expenses, including entertainment, traveling, Hotel and other expenses incurred by him in India and abroad exclusively on the company's business.
- c) Either party shall be entitled to terminate this appointment by giving to the other party ninety (90) days' notice in writing without showing any cause.

NOTICE TO MEMBERS

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

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

(i) Remuneration Committee of the Board has approved the terms of remuneration payable to Shri Deepak M. Mehta, as mentioned hereinabove at its meeting held on 13th May, 2010, which are in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

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

(iii) The appointment of Shri Deepak M. Mehta as Whole-time Director of the Company with effect from 1.8.2010 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on 23rd July, 2010, for payment of remuneration for a period not exceeding three years.

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

(iv) I : GENERAL INFORMATION:

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

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

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

[4] Financial Performance based on given indicators

	2009-10	2008-09
	(Rs./Lacs)	
Effective Capital	17624.30	17065.52
Net Profit after Tax	2262.30	116.17

[5] Export Performance & net foreign exchange collaborations:

Exports (FOB)	2327.49	1886.55
Foreign Exchange Outgo	6202.04	7744.58

[6] Foreign Investments & Collaborations if any:

The Company has not made any Foreign Investments.

Company has Technology Transfer Agreement for Paper Insulated Copper Conductors and Continuously Transposed Copper Conductors with M/s. Essex spa, Italy.

(iv) II : INFORMATION ABOUT THE APPOINTEE : Shri Deepak M. Mehta as per proviso (IV) of Part II of Section II, Section 1 [B] of Schedule XIII to the Companies Act, 1956:

[1] Background Details : Shri Deepak M. Mehta is a Commerce Graduate and he was Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd. He has contributed immensely to the performance of the company over the years and played pivotal part in the growth of the Company.

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

	2009-10	2008-09
	(Rs./Lacs)	
Salary	24.00	24.00
Perquisites	9.68	7.24
Commission	34.19	3.41
Contribution to Provident Fund	2.88	2.88
Total	70.75	37.53

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

[4] Job Profile and his suitability : Having regard to the vast experience as Whole-time Director of Atlas Wires Ltd., prior to its amalgamation with Precision Wires India Ltd., the Board of Directors is of the opinion that Shri Deepak M. Mehta is eminently suitable to hold the position and the proposed remuneration is reasonable.

[5] Remuneration Proposed : As per the above explanatory statement, for a period of three years from 1-8-2010 to 31-7-2013

[6] Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The company has no information to offer, but having regard to the versatile experience and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.

[7] Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel : Shri Deepak M. Mehta is a promoter of the Company holding 5,67,160 fully paid Equity Shares of Rs. 10/- each, amounting to 4.90% of the paid up capital of the Company, including shares held as karta of HUF. He is son of Shri Mahendra R. Mehta, CMD and brother of Shri Milan M. Mehta, Managing Director.



NOTICE TO MEMBERS

(iv) III : OTHER INFORMATION :

- [1] Reasons for Loss or Inadequacy of Profits : Not applicable as Company is a profit making company at present.
- [2] Steps taken or proposed to be taken for improvement : Not applicable as the Company is a profit making company at present. However, company continues to strengthen internal procedures to control inventories and operating costs.
- [3] Expected increase in productivity and profits in measurable terms : Not applicable as the Company is a profit making company at present. However, considering the volatility in the price of the principal input of the company, copper rods, it is difficult to make any estimates of increase in productivity and profits in measurable terms.

(iv) IV : DISCLOSURES:

- [1] The Remuneration package of the Managerial Personnel for the year 1.4.2009 to 31.3.2010, is given in the explanatory statement above.
- [2] The following information has been disclosed in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report for the year 2009-10:
 - [i] All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of all the directors;
 - [ii] Details of fixed component and performance linked incentives along with the performance criteria;
 - [iii] Service contracts, notice period, severance fees;
 - [iv] Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Item No. 7.**Appointment of Shri Nirbhay D. Mehta, as Manager (Commercial and Finance) of the Company.**

Shri Nirbhay Deepak Mehta, is the son of Shri Deepak M. Mehta, Whole-time Director of the Company. He has completed his studies in Business Management at University of Illinois, USA and also had training of about 2 months at Ernst & Young, Chartered Accountants, in Mumbai. He is desirous to make his career in the Company. Shri Nirbhay D. Mehta holds 444825 (3.85%) Equity Shares of the Company and is a part of the Promoter Group.

The Remuneration Committee and the Board of Directors at their Meetings held on 28th January, 2010 had appointed Shri Nirbhay D. Mehta as a Trainee. No remuneration is to be paid to him during the Training period. Considering the performance of Shri Nirbhay D. Mehta during the Training and the Educational Qualifications of Shri Nirbhay D. Mehta, and comparative remuneration profile prevailing in manufacturing industries in India for persons of similar qualifications, the Remuneration Committee and the Board of Directors at their meetings held on 13th May, 2010, have appointed Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company for a period of three years on the terms and conditions given below.

The appointment of Shri Nirbhay D. Mehta as Manager (Commercial and Finance) in the Company will take effect from 1st August, 2010, after consent is granted by the Company in this regard at the ensuing Annual General Meeting to be held on 23rd July, 2010, by a Special Resolution and shall be subject to the approval of the Central Government. The following remuneration is proposed to be paid to Shri Nirbhay D. Mehta for a period of three years.

	1-8-2010 to 31-7-2011	1-8-2011 to 31-7-2012	1-8-2012 to 31-7-2013
	Rupees	Rupees	Rupees
Basic Salary Per Month	40000	43200	46500
Conveyance Allowance Per Month	5000	5500	6000
Medical Allowance Per Month	1000	1000	1000
Total for the year	552000	596400	642000
Add : Leave Travel Allowance	40000	43200	46500
Bonus @ 20% of Basic Salary, subject to maximum of	60000	60000	60000
Total Remuneration per Annum	652000	699600	748500

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

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

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

NOTICE TO MEMBERS

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

Shri Mahendra R. Mehta - Chairman and Managing Director, Shri Milan M. Mehta - Managing Director and Shri Deepak M. Mehta - Whole-time Director are relatives of each other and also relatives of Shri Nirbhay D. Mehta and therefore they may be deemed to be concerned with or interested in the Special Resolutions at item No. 6 & item No. 7 of the accompanying Notice of Meeting of Shareholders to be held on 23rd July, 2010, as these items relate to Re-appointment of Shri Deepak M. Mehta as Whole-time Director and appointment and remuneration of Shri Nirbhay D. Mehta.

Save as aforesaid, none of other Directors are in any way concerned or interested in the Resolution at item no. 6 & 7 of the accompanying Notice of Meeting of shareholders to be held on 23rd July, 2010.

DOCUMENTS OPEN FOR INSPECTION:

The following documents in relation to Item Nos. 6 & 7 of the accompanying Notice are open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday:

- 1] Letter of appointment dated 13th May, 2010, issued to Shri Deepak M. Mehta, referred to in the item No. 6 of the accompanying Notice.

- 2] Draft of Letter of appointment, initialed by the Chairman of the Remuneration Committee of the Board for identification, to be issued to Shri Nirbhay D. Mehta, referred to in the item No. 7 of the accompanying Notice.

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

By Order of the Board

S. G. Sathe
Company Secretary

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

Mumbai
13th May, 2010.



DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Twenty First Annual Report of your Company, together with the Audited Accounts for the year ended 31st March, 2010.

1. Financial Results :

	(Rupees in Lacs)	
	2009-10	2008-09
Sales (including Excise Duty)	69706.34	62877.60
Less : Excise Duty	(6687.00)	(9255.52)
Sales (Net of Excise Duty)	<u>63019.34</u>	<u>53622.08</u>
Operating Profit	4436.04	1565.20
Add : Other Income	299.67	71.83
Profit before Financial Charges, Depreciation & Taxes	4735.71	1637.03
Financial Charges	(447.55)	(398.41)
Depreciation	(1087.82)	(1032.22)
Profit before Taxes & Extra-ordinary Items	3200.34	206.40
Extra-ordinary Items	140.58	—
Profit before Taxes	3340.92	206.40
Less:		
Provision for Income Tax	(917.00)	0
Provision for Wealth Tax	(0.13)	(0.20)
Provision for Deferred Tax	(149.02)	(74.63)
Provision for Fringe Benefit Tax	(0)	(11.00)
Prior Years' Tax Adjustments	(12.47)	(4.40)
Profit after Tax	2262.30	116.17
Add : Balance brought forward from last Account	392.63	389.69
Balance available : (A)	2654.93	505.86
Which the Board of Directors have appropriated as under :		
(i) Transfer to General Reserve	1700.00	5.00
(ii) Proposed Final Dividend @ Rs. 4.40 for the year (Previous year @ Rs. 0.80), which includes Interim Dividend @ Rs. 2.40 (Nil), per equity share).	508.80	92.51
(iii) Corporate Tax on Dividend	86.47	15.72
(B)	2295.27	113.23
Balance carried forwarded in Profit & Loss Account (A) – (B)	359.66	392.63

2. Dividend

At their Meeting held on 28th January, 2010, the Directors had recommended an interim dividend @ Rs. 2.40 (24%) per equity share of Rs. 10/- each, fully paid, for the financial year 2009-10, since paid. The Directors are pleased to recommend a further Dividend @ Rs. 2.00 per equity share for the year ended 31st March, 2010, making a total dividend recommended of Rs. 4.40 per equity share of

Rs. 10/- each, fully paid, subject to the approval of Shareholders at the ensuing Annual General Meeting.

3. Operations

Due to the fiscal and monetary measures taken by our Government during 2008 and 2009, the overall economic climate improved during the year and this has resulted improvement in the economy and industrial growth.

During the year under review:

- the total production of finished goods was about 23500 MT, an increase of approx. 9.40%.
- Sales Income Gross and Net of Taxes was Rs. 69706.34 lacs and Rs. 63019.34 lacs respectively. Sales Income is higher during the year due to higher production on own account and lower job work business.
- Copper prices remained volatile but in general showed an upward trend during the year. Your Company was able to satisfactorily resolve the residual Copper pricing mis-match related issues which had adversely affected the Company's performance in the previous year.
- Based on the experience of extremely high adverse price movements of input, which affected working of the company during last year, the copper procurement policy for customers' orders of finished products was modified.

To protect the interest of the Company against Copper price volatility, your Company enters into hedging transactions of Copper. The net loss on Copper Hedging Transactions squared up during the year under review is Rs. 488 lacs (163 lacs) (rounded off) and the same is included in the Cost of Material Consumed (Schedule 11-B to the Profit and Loss Account for the year).

During the year, some consignments of our finished goods sold on own account and on job work account did not reach the plants of our OEM Consumers due to loss en-route. Police complaints have been filed. The goods were insured. The insurance company has disputed the liability in respect of loss of such goods processed on jobwork basis and dispatched to the customers. On such goods sold on own account but lost during transit, pending settlement of insurance claims, an amount of Rs. 101.43 lacs (rounded off) is accounted under loans and advances (Current Assets).

Out of a consignment of copper rods (E C Grade) imported by us from Australia, during December 2007, a total quantity of 33,404 Kgs was lost in transit from Port to our factory. Out of the above, about 29,400 kgs of material was recovered by the Police earlier. As per the Hon. Jurisdictional Court's permission received during the year under review, the same has been reprocessed and consumed. Insurance claim is pending.

Due to the slow-down / melt-down of economy in the previous year, your Company deferred plans for expansion. However, equipments ordered earlier are being received during current year and expansion of capacity will materialize during 2010-11. Company is considering investment in alternate energy generation (wind power) in Gujarat. Plans are afoot for further augmenting capacity in fiscal 2011-12.

DIRECTORS' REPORT

Your Company is the Market Leader in the field of winding wires made of Copper in India and continues to explore new export markets. The long term prospects of the Electrical Equipment Manufacturing Industry in general continue to be bright.

The Company has discharged all financial obligations on time.

During the year under review, competition continued to be intense, there was significant inflationary pressure.

On the whole, your Company has managed to perform well and recorded a major turn-around in financial performance despite challenging conditions.

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

The Equity Shares of your Company continue to be listed at the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd (NSE) and required Annual Listing Fees have been paid.

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

5. Particulars of Employees:

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, particulars of the employees are given in Annexure I hereto and form part of this report.

6. 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.

7. 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 2010-11. The Auditors have u/s 224 (1B) of the Companies Act, 1956 furnished Certificate of Eligibility for reappointment.

8. 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.

The Company has framed a Code of Conduct for all its Board Members and Senior Management Personnel of the Company, who have affirmed compliance thereto. The said Code of Conduct have been posted on the Company's website. The Declaration to this effect signed by the CEO are made a part of the Annual Report.

9. 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 had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and 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 the end of financial year ended 31st March, 2010 and of the profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care 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 directors had prepared the annual accounts for the year ended 31st March, 2010, on a going concern basis.

10. Directors

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

The term of appointment of Shri Depak M. Mehta, Whole-time Director, expires on 31st July, 2010. On the recommendation of its Remuneration Committee the Board of Directors have, at their meeting held on 13th May, 2010, reappointed Shri Deepak Mehta as Whole-time Director for a further period of three years from 1st August 2010 subject to the approval of the Company at the ensuing Annual General Meeting.

11. 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, Shareholders 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 13th May, 2010

**DIRECTORS' REPORT****ANNEXURE I TO DIRECTORS' REPORT**

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

Name	Age (Years)	Qualifications	Designation	Date of Commencement of Employment	Experience (Years)	Remuneration (Gross) Rs.	Last Employment and position held
Shri Mahendra R. Mehta	81	–	Chairman & Managing Director	June 1975	58	69,41,308#	Chairman & M.D of Erstwhile Atlas Wires Ltd.
Shri Milan M. Mehta	47	B.S.(E.E.)	Vice Chairman & Managing Director	April 1996	25	94,95,676#	Technical Director of Erstwhile Atlas Wires Ltd.
Shri Deepak M. Mehta	53	B.Com	Whole-time Director	January 1989	30	70,75,545	Whole time Director of Erstwhile Atlas Wires Ltd.

Notes :

- (1) All the above persons are relatives of each other.
 - (2) The above employments are contractual in nature.
 - (3) Remuneration (Gross) includes Salary, Commission, taxable value of perquisites and Company's contribution to Provident Fund.
- # 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 to 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 each year completed, being Rs. 1,29,807/- and Rs. 9,80,769/- 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 :**

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

2. Technology Absorption

Efforts made technology absorption - as per Form B are given below :

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

- | | |
|--|---|
| 1) Special areas in which R & D Carried out by the Company | Development of new types of Insulating varnishes. |
| 2) Benefits derived as a result of the above R & D | Quality improvement. |
| 3) Future plan of action | Please refer 2 (1) above. |
| 4) Expenditure on R & D | NIL. |

Technology Absorption, Adaptation and Innovation :

- | | |
|---|--|
| 1. Efforts in brief made towards technology absorption and innovation | Manpower Training and application with a view to acquire international quality standards and reduce scrap generated while producing CTC. |
| 2. Benefits derived as a result of the above efforts. | Improved productivity and quality of new products introduced in F. Y. 2006-07. |
| 3. Information about Imported Technology | Not Applicable. |

3. Foreign Exchange Earnings and Outgo :

Earnings	Rs. 2327.49 (Rs. 1886.55) Lacs
Outgoings	Rs. 6202.04 (Rs. 7744.58) Lacs

Declaration on Compliance of the Company's Code of Conduct

This is to certify that the Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

Mumbai,
Dated 13th May, 2010

Mahendra R. Mehta
Chairman & CEO

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 1ST April, 2009 TO 31ST MARCH, 2010
(ANNEXURE III TO THE DIRECTORS' REPORT)**

(as required under clause 49 of the Listing Agreements 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 Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are as under:

Composition and category of Directors			Member of other Boards or Other Board Committees		Attendance		
Name of Director	Designation	Category	Number of Directorship in other companies*	Number of Board Committee membership held in other companies	Meeting of Board of Directors		AGM Attended
					Held	Attended	
Shri Mahendra R. Mehta	Chairman and Managing Director	Promoter, Executive	-	-	6	6	Yes
Shri Milan M. Mehta	Vice-Chairman and Managing Director	Promoter, Executive	1	-	6	6	Yes
Shri Deepak M. Mehta	Whole-time Director	Promoter, Executive	-	-	6	6	Yes
Shri Vijay M. Krishna	Director	Non-Executive, Independent	3	-	6	3	No
Shri P. N. Vencatesan	Director	Non-Executive, Independent	1	C = 1 M = 1	6	6	Yes
Shri P. R. Merchant	Director	Non-Executive, Independent	3	C = 2 M = 4	6	6	Yes
Shri A. P. Kothari	Director	Non-Executive, Independent	11	C = 1	6	4	No

C = Chairman of Board Committee in other companies

M = Member of Board Committee in other companies

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

Number of Board Meetings held and dates on which held:

Six Meetings of the Board of Directors were held, on 27.04.2009, 29.06.2009, 27.07.2009, 19.09.2009, 28.10.2009 and 28.01.2010 and the gap between two meetings did not exceed four months. Annual General Meeting (AGM) of the company was held on 19.09.2009.

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:

- 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.
- To fix audit fees of the internal auditors and to approve payment for any other services.
- 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.
- To look into the various aspects envisaged by relevant SEBI guidelines in this regard.

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

During the year, 6 Meetings of the Audit Committee of the Board of Directors were held, on 27.04.2009, 29.06.2009, 27.07.2009, 19.09.2009, 28.10.2009 and 28.01.2010.

Name of the Members	Category	Audit Committee Meeting	
		Held	Attended
Shri P. N. Vencatesan, Chairman (Chartered Accountant)	Independent, Non-Executive	6	6
Shri P. R. Merchant (Retired Senior Banker)	Independent, Non-Executive	6	6
Shri A. P. Kothari (Technocrat-Entrepreneur)	Independent, Non-Executive	6	4

4. Remuneration Committee :

Brief description of Terms of Reference:

The terms of reference of the Remuneration Committee include to determine Company's policy on specific remuneration packages for Executive Directors and relatives of Directors employed in the Company, if any, 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.



Composition, name of members, Chairperson and attendance :

The Remuneration Committee comprises of three Independent & Non-Executive Directors – Shri P. N. Vencatesan (Chairman), Shri P. R. Merchant and Shri A. P. Kothari. During the year 1 (One) meeting of the Remuneration Committee was held on 28.1.2010. Shri P. N. Vencatesan, Shri P. R. Merchant & Shri A. P. Kothari attended the Meeting of Remuneration Committee held on 28.01.2010.

Remuneration Policy:

The Executive Directors' remuneration is approved by the shareholders at their Meetings on the basis of recommendations of the Remuneration Committee and the Board of Directors. The recommendations by these bodies are based on trends in the industry, appointee's qualifications, experience and past performance.

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:

[i] Gross Remuneration paid / payable to Executive Directors for financial year 2009-10.

Name of Director and Service Contract	Salary	Commission	Perquisites #	Contribution to PF & Provision for Gratuity	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Shri Mahendra R. Mehta (Re-appointed w. e. f. 01.10.2008 for 3 years)	2700000	3419280	498028	* 453807	7071115
Shri Milan M. Mehta (Re-appointed w. e. f. 01.04.2009 for 3 years)	4800000	3419280	700396	** 1556769	10476445
Shri Deepak M. Mehta (Re-appointed w. e. f. 01.08.2010 for 3 years)	2400000	3419280	968265	288000	7075545

Perquisites include Reimbursement of medical expenses for self and family, Reimbursement of gas, electricity, water charges and furnishings, Leave travel concession for self and family once in a year not exceeding one month's salary for each year, accumulated subject to a maximum of three years, Fees of clubs subject to a maximum of two clubs, Leave Encashment at end of contract, wages of servants and personal drivers. The above Directors are not entitled to Bonuses, but are entitled to Provident Fund and Retirement Gratuity in accordance with Law.

* Includes Provision for Gratuity of Rs. 1,29,807/-

** Includes Provision for Gratuity of Rs. 9,80,769/-

The variable component of above remuneration is the payment of Commission based on profits of the Company computed as per provisions of Section 198 of the Companies Act, 1956. There is no other performance linked component of the remuneration. The employments are contractual, for a period of three years, terminable by notice in writing of 90 days by either side. No severance fees are payable to any of the managerial personnel. The Company does not have Stock Option plan for its employees or other Managerial Personnel.

The remuneration paid / payable to Shri Mahendra R. Mehta - the Chairman & Managing Director, for the year ended 31st March, 2009 exceeds 10% of the Profits of the Company for that year as computed under Section 198 of the Companies Act, 1956, by Rs. 27,01,749/-. However, the same is within the minimum remuneration payable as per Schedule XIII of the Companies Act, 1956. The Company has been advised that since the period of appointment of Shri Mahendra R. Mehta was for Five years up to 30.9.2008, it is necessary to obtain approval of the Central Government for payment of Minimum Remuneration to Shri Mahendra R. Mehta. The Company has made an application to the Central Government for the approval of minimum remuneration paid / payable to Shri Mahendra R. Mehta and the same is pending.

No sitting fees are paid to Executive Directors for attending Meetings of Board or Committees of Board.

[ii] Remuneration paid to Non-Executive Directors for financial year 2009-10.

	Shri P. N. Vencatesan	Shri V. M. Crishna	Shri P. R. Merchant	Shri A. P. Kothari
Sitting Fees for attending Board and Committee Meetings	Rs. 107000	Rs. 44000	Rs. 107000	Rs. 73000

Non-Executive Directors are not paid any other remuneration.

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

Name of non-executive director heading the committee	: Shri P. N. Vencatesan
Name and designation of compliance officer	: Shri S. G. Sathe, Company Secretary
Number of complaints received up to 31.3.2010	: 07 (Seven)
Number not solved to the satisfaction of shareholders as on 31.03.2010	: NIL
No of pending complaints	: NIL

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.

6. General Body Meetings :

- i. Location and time where the last three Annual General Meetings were held & special resolutions passed thereat :

Financial Year	Date	Time	Location	No. of Special Resolutions passed at the AGMs
2008-2009	19.09.09	02.30 p.m.	Hall of Mysore Association, 1 st Floor, 393 Bhaudaji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai-400019.	FOUR
2007-2008	27.09.08	02.30 p.m.		ONE
2006-2007	26.09.07	02.30 p.m.		TWO

- ii. Resolutions by Postal Ballots, etc. :

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 :

- i. Materially significant related party transactions:

Transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. are disclosed in Notes to Accounts as per requirements of Accounting Standard -18. None of these transactions have potential conflict with interest of the Company at large.

- ii. No penalties have been imposed and no strictures have been 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 and there are no instances of non-compliance of relevant regulatory requirements by the Company.
- iii. As a matter of policy, all employees of the company have free access to all executive and non-executive directors of the company, including the Audit Committee, and are encouraged to report any ultra virus acts or omissions.
- iv. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreements . Regarding the status of the compliance with the Non-mandatory requirements of the said Clause, the Company has constituted a Remuneration Committee comprising of Non-Executive & Independent Directors.

8. Means of communication :

Quarterly / Annual Results are filed with NSE/BSE and are published in English and Vernacular news papers within the prescribed time limits.

The quarterly and annual financial results are normally published in the "Free Press Journal" and vernacular "Navshakti" news papers.

The Quarterly Financial Statements, Corporate Governance Reports & Quarterly Shareholding Pattern statements and Annual Report are available on websites of NSE and BSE. The same are also available on the Company's website <http://precisionwires.com>

9. General Shareholder Information :

- i. **Annual General Meeting**

Day, Date, Month & Time : Friday, 23rd July, 2010 AT 02.30 P.M.

Venue : Hall of Mysore Association, 1st Floor, 393 Bhau Daji Road, Maheswari Udyan (KingCircle), Matunga (Central Railway), Mumbai - 400019.

- ii. **Financial Calender (Tentative)**

Financial Year 1st April, 2010 to 31st March, 2011.

Quarterly Results:

Unaudited quarterly results for the first three Quarters will be declared within Forty Five days from the close of each quarter. Company generally declares audited results within Sixty days from the end of the financial year and hence it generally does not declare unaudited results for the fourth quarter within Forty five days from end of fourth quarter, as permitted by Clause 41 of the Listing Agreement.

- iii. **Date of Book closure** : From 17.7.2010 to 23.7.2010 (both days inclusive).

- iv. **Dividend payment date** :

Dividend on fully paid Equity shares, subject to the approval of Members at the ensuing Annual General Meeting, @ Rs. 2.00 per fully paid equity share of Rs. 10/- each shall be paid on or before 23.8.2010.



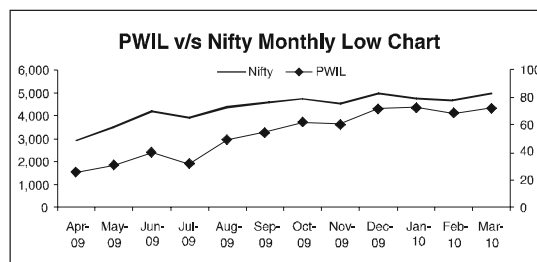
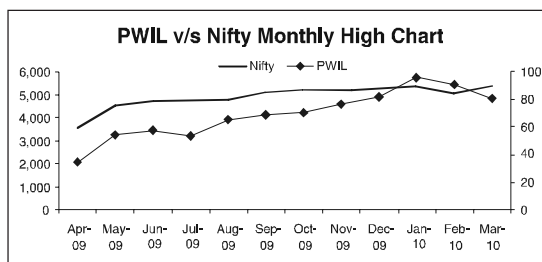
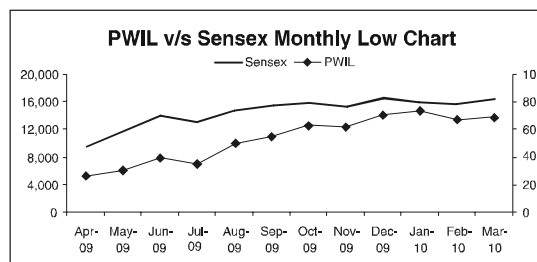
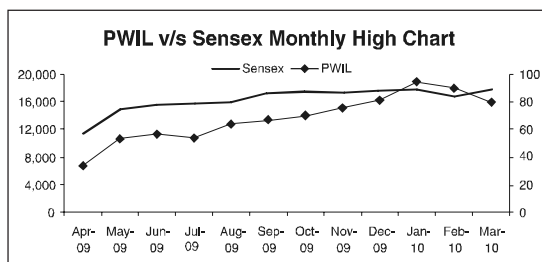
v. **Listing on Stock Exchanges :**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2010-11. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

vi. **Stock Code :** BSE - 523539, NSE SYMBOL - PRECWIRE

vii. **Market Price Data - High, Low during each month in financial year 2009-10 :**

Month & Year	PWIL @ BSE		SENSEX		PWIL @ NSE		NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-09	33.80	26.50	11492	9546	34.35	26.40	3517	2966
May-09	53.25	31.00	14931	11621	54.00	31.00	4509	3479
Jun-09	56.70	40.10	15600	14017	57.00	40.45	4693	4143
Jul-09	53.95	35.20	15733	13220	53.00	32.15	4670	3919
Aug-09	64.00	50.30	16002	14684	64.75	49.65	4744	4353
Sep-09	67.00	55.60	17143	15357	67.70	54.25	5088	4577
Oct-09	70.05	63.00	17493	15805	70.00	62.00	5182	4687
Nov-09	75.50	61.65	17290	15331	75.95	60.30	5138	4538
Dec-09	81.30	70.60	17531	16578	81.00	71.70	5222	4944
Jan-10	94.25	73.20	17790	15982	95.00	72.30	5311	4766
Feb-10	90.00	67.00	16669	15652	89.70	68.50	4992	4675
Mar-10	80.00	68.80	17793	16438	80.00	72.20	5330	4935



viii. **Registrar and Transfer Agents:**

M/s. Sharepro Services (India) Private Ltd.
 Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2nd Floor, Sakinaka, Mumbai - 400072.
 Tel No. : (022) 67720400 Fax No. (022) 67720416

ix. **Share Transfer System :**

Transfers in physical form are lodged with the Company / Transfer Agents. The Transfer Agents have complete computerized 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. Transfer of dematerialized shares takes place under the standard system of CDSL / NSDL.

x. **Distribution of holding as on 31.03.2010:**

No. of Shares		No. of Shareholders		No. of Shares	
From	To	Number	%	Number	%
Less than 501		7549	90.13	977166	8.45
501	- 1000	355	4.24	282702	2.44
1001	- 2000	170	2.03	256411	2.22
2001	- 3000	83	0.99	212196	1.84
3001	- 4000	36	0.43	128505	1.11
4001	- 5000	35	0.42	163764	1.42
5001	- 10000	62	0.74	448062	3.87
10001 & above		86	1.02	9094817	78.65
Total		8376	100.00	11563623	100.00

	<u>Number of Shares</u>	<u>%</u>
Promoters Shareholding	: 6897283	59.65
Public Shareholding	: 4666340	40.35

xi. **Dematerialisation of shares and liquidity :**

The Equity Shares of the Company are in compulsory demat segment. The same are registered with both **National Securities Depository Ltd.**, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and **Central Depository Services (India) Limited**, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai 400 023, under ISIN No. INE372C01011, common for both. 43.35% of Company's Share Capital are dematerialised as on 31.03.2010.

xii. **Outstanding GDRs / ADRs / Warrants and Convertible instruments etc. -**

The Company has not issued any GDRs or ADRs.

xiii. **Plant Locations :**

Unit I, & Unit II (ATLAS WIRES, SILVASSA) of the Company are located at Plot No. 125/2, Amli Hanuman (66KVA) Road, Silvassa 396 230 U.T. of Dadra & Nagar Haveli.

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

xiv. **Address for correspondence:**

For transfer / dematerialization of shares, and queries relating to share transfer etc., shareholders are requested to directly communicate with the Registrars and Transfer (R & T) Agents at the address given in para viii above. In case their issues are not resolved by R & T Agents in reasonable time, or for any other matter, they may communicate with the company at its Registered Office at Saiman House, J.A. Raul Street, Sayani Road, Prabhadevi, Mumbai 400 025. Tel.: 2437 6281 Fax : 2437 0687 Email: investorgrievances@pwil.net; mumbai@pwil.net

**a) Industry Structure & Development:**

The Company produces Winding Wires made of Copper which are used in the manufacture of both rotating and static electrical equipments. There are a number of players in the industry, many in the SSI sector. Capacities continue to remain fragmented in the country. The capacity utilisation of the Industry has marginally improved.

As compared to the previous year, the overall total production of your Company has increased by about 10%. The Company is in the process of expanding capacity further during 2010-11 and 2011-12. The Company is also engaged in the continuous development of insulating varnish for captive consumption.

b) Opportunities & Threats

As ours is a power-deficit country, massive investment in the power sector, regardless of any change in the political system, is likely to continue. Your Company, therefore, during the last several years has attempted to modernize and widen its range of the product including CTC. Manufacture of CTC is capital intensive, has a longer gestation period and the process generates more scrap during the initial production period of at least about 5 years until the manpower is sufficiently trained.

Despite the global fiscal upheaval leading to a worldwide recession in 2008-09 and 2009-10, India has turned around, during the year under review, and performed well and achieved higher growth of industrial production. As an emerging economy, industrial growth in India is likely to remain high. Government has ambitious plans for increasing installed capacity of electric power generation.

Your Company's product is one of the principal inputs used in the manufacture of electrical equipments. Growth of the electrical equipment manufacturing industry is linked with electric-power-sector, industrial development and improvement in living standard of people. Global demand of electrical equipments made in India is expected to increase. These factors would induce sustaining growth of electrical winding wire industry.

Your Company's Debt-Equity ratio is only 0.36 and therefore has options and opportunities to launch further expansion-projects in certain key areas.

Areas of Threats:

High volatility in the rates of Refined Copper, our primary input, both in international as well as domestic markets, remains an important concern during the year and is likely to remain so for the foreseeable future until the rates of Copper in the international market stabilise.

Considering the trend in global commodity prices and domestic prices of food products, inflation is expected to remain high which will put pressure on our costs. Interest rates are likely to harden. Infrastructural growth, including the power sector, needs to be substantially accelerated. Problems of tariff distortions, reform in the Industrial Dispute Act, infrastructural constraints, comparatively higher rates of interest and law and order situation need to be addressed at macro level.

Import of Winding Wires made of Copper at a preferential tariff should cease as value addition is low and cost of input is high. Such goods should be excluded from the list of items eligible for import under FTAs.

c) Segment-wise or Product-wise performance:

The Company's core activity is production and sale of only one product i.e. Winding Wires made of Copper. The overall production has increased by about 10%. Company's product is well received in domestic and export markets. Though the winding wire division of our Palej Unit remained closed during the year under review, the overall production and performance of the Company is not affected. There is a marginal increase in production of insulating varnishes / resins for captive use.

d) Outlook:

Fiscal and monetary stimulus measures taken by our Government during 2008 and 2009 have restored normalcy in the Indian economy. Being an Electric-Power-Deficit country, massive investments in the growth of this sector is on a priority agenda of the Government. Our Winding Wires made of Copper are used by the Electrical Equipment manufacturing sector and faster growth of the Electrical-Power sector shall also stimulate the growth of our Industry. While at present there is still recession in some Western economies, massive fiscal and monetary measures adopted by the Western world have helped for the present stabilization of overall global economic scenario. In this backdrop, barring unforeseen circumstances, the Indian economy should show reasonably healthy growth during 2010-11.

e) Risks and concerns:

- a. Extremely high volatility in the price of Copper, our primary input, both in the International and Domestic markets.
- b. Please also refer to the foregoing para "b" 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 systems. This has been confirmed by the Auditors in their report to the members.

g) Discussion on Financial Performance with respect to Operational performance (All figures rounded off in Rupees Lacs only):

During the year under review, Net Sale Income was higher at Rs. 63019 (53622) due to increase in production and lower quantity of Job work. Outflow for Power & Fuel increased to Rs. 1590 (1451) due to higher production on our own account, increase in power tariff and higher consumption of fuel used for captive power generation. Salaries and wages were higher at Rs. 1030 (790) due to payment of dues to the employees of Palej Unit, revision in the wage agreement of Silvassa Units and higher remuneration to the Executive Directors. Insurance expense is higher at Rs. 66 (44) due to increase in tariff by Insurer. Foreign Exchange Gain is Rs. 75 (Loss 178) on account of exchange rate variations.

Reserves and Surplus is Rs. 14690 (13023) as at 31st March, 2010, and Outstanding Term Loan was Rs. 1788 (2652) Capex Rs. 696 (1454) and Capital Work in progress Rs. 456 (265).

Inventory has decreased to Rs. 2872 (4247). Debtors have increased to Rs. 13742 (7866) due to higher sale on own account and decrease in jobwork activity. Current Assets comprising Cash & Bank Balances, Loans & Advances and other current assets are Rs. 5234 (4151). Total Current assets increased to Rs. 21849 (16264) and Current Liabilities to Rs. 11413 (7492). Rates of Copper, our principal input, continued to be volatile. To protect the interest of the Company, your Company entered into hedging transactions of copper while following all statutory regulations. Net Loss on squared off Copper Hedging Transactions during the year is Rs. 488 (163) and the same is included in the cost of Material Consumed (Please refer foot note to Schedule 11 B to the Profit and Loss Account for the year).

Your Company continues to be market leader in the field of winding wires made of copper in India.

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

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

Industrial relations during the year were generally satisfactory and new wage agreements with the labour at Silvassa Plants were finalized with retrospective effect from October 2008 onwards. All the matters pertaining to closure of Winding Wire Division at Palej were settled amicably.

i) Cautionary Statements:

Statements in this Management Discussion and Analysis describing the company objectives, estimates and expectations may be Forward Looking statements within the meaning of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied.

Mahendra R. Mehta
Chairman & CEO

Mumbai
Dated 13th May, 2010.



AUDITORS' REPORT

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, 2010, 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 these 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 the 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 Central Government 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 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010 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

Firm Registration Number : 102646W

Mumbai,

Dated : 13th May, 2010

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 Company has a regular programme of physical verification of fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory (except Returnable Plastic Spools lying with Customers) 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 are 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 no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loans, secured or unsecured to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has accepted fixed deposits from Directors and other parties covered in the register maintained under section 301 of the Act. A total of 4 parties were involved in the aforesaid transactions for amounts aggregating to Rs. 2,50,00,000/-
- (c) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions of the unsecured loans taken/ fixed deposits accepted by the Company are prima facie not prejudicial to the interest of the Company.
- (d) The payment of the Principal and Interest on the loans/fixed deposits is regular and there are no overdue amounts payable in respect thereof.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts / arrangements 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 each of the transactions in excess of Rs. 5 lakhs in respect of any party has been made at prices, which are prima facie reasonable having regard to the prevailing market prices, of such goods, materials or services at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us in respect of the deposits from the public and reflected by the Company, the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder wherever applicable have been complied with by the Company.
- (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 pursuant to the Rules made by the Central Government for the maintenance of cost records 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 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, service tax, customs duty, excise duty and cess as applicable to it.
- (b) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows:

Nature of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	1,14,892/-	Appellate Tribunal
Central Excise Act	Excise Duty	4,55,000/-	CEGAT, Delhi



AUDITORS' REPORT

- (x) The Company does not have accumulated losses, as at 31st March, 2010. The Company has not incurred any cash losses during the financial year covered by the audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given to us, by the management 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.
- (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) In our opinion the Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund / Society. Accordingly in our opinion 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 shares, securities, debentures and other investments.
- (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 and cashflow statement of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- (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 issued any secured debentures
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that 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

Firm Registration Number : 102646W

Mumbai,

Dated : 13th May, 2010

S.R. DIVATIA & CO.
CHARTERED ACCOUNTANTS

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 31st March, 2010, 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, of 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.

Based on the aforesaid examination, in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned 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

Firm Registration Number : 102646W

Mumbai,

Dated : 13th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	Rupees	As at 31/03/2010 Rupees	Rupees	As at 31/03/2009 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	115,644,230		115,644,230	
Reserves and Surplus	2	<u>1,469,029,386</u>	<u>1,584,673,616</u>	<u>1,302,326,436</u>	1,417,970,666
LOAN FUNDS					
Secured Loans	3		<u>540,871,032</u>		602,496,609
Unsecured Loans	4		<u>25,000,000</u>		25,000,000
Deferred Tax Liability (Net)	5		<u>173,936,394</u>		159,034,090
TOTAL			<u>2,324,481,042</u>		<u>2,204,501,365</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	6	<u>1,976,732,969</u>		1,919,327,118	
Less : Depreciation		<u>(702,145,199)</u>		<u>(598,933,275)</u>	
Net Block		<u>1,274,587,770</u>		1,320,393,843	
Capital Work-in-Progress		<u>45,595,616</u>	<u>1,320,183,386</u>	<u>26,542,119</u>	1,346,935,962
INVESTMENTS	7		<u>16,522</u>		1,611,110
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories		<u>287,194,727</u>		424,725,354	
Sundry Debtors		<u>1,374,237,357</u>		786,562,741	
Cash and Bank Balances		<u>288,796,747</u>		204,696,014	
Other Current Assets		<u>25,510,517</u>		16,321,563	
Loans and Advances		<u>209,176,319</u>		194,085,890	
		<u>2,184,915,667</u>		<u>1,626,391,562</u>	
Less : CURRENT LIABILITIES AND PROVISIONS	9				
Current Liabilities		<u>1,141,362,479</u>		749,224,379	
Provisions		<u>39,272,054</u>		21,212,890	
		<u>1,180,634,533</u>		<u>770,437,269</u>	
NET CURRENT ASSETS	(8-9)		<u>1,004,281,134</u>		855,954,293
TOTAL			<u>2,324,481,042</u>		<u>2,204,501,365</u>
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
Membership No. 39755
Firm Registration No. 102646W

Mumbai,
Dated : 13th May, 2010

For and on behalf of the Board

Mahendra R. Mehta
Chairman, Managing Director & CEO

Milan M. Mehta
Vice Chairman, Managing Director

Mumbai,
Dated : 13th May, 2010

C. Mohandas Pai
Chief Financial Officer

S. G. Sathe
Company Secretary

Mumbai,
Dated : 13th May, 2010

**PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED ON 31ST MARCH, 2010**

	Schedules	2009/10 Rupees	2008/09 Rupees
INCOME			
Sales and Processing Income (Gross)	#	6,970,633,780	6,287,760,309
Less : Excise Duty		(668,700,415)	(925,552,145)
Sales and Processing Income (Net)		6,301,933,365	5,362,208,164
Other Income	10	29,967,169	7,183,104
		<u>6,331,900,534</u>	<u>5,369,391,268</u>
EXPENDITURE			
Operating Expenses	# 11, 12	5,858,330,485	5,205,687,731
Financial Charges	13	44,754,760	39,841,519
Depreciation & Amortisation	6	108,781,617	103,222,160
TOTAL		<u>6,011,866,862</u>	<u>5,348,751,410</u>
Profit before Taxes & Extraordinary Items		<u>320,033,672</u>	<u>20,639,858</u>
Add : Extraordinary Items [Profit on Sale of Fixed Assets (Building)]		14,058,644	—
Profit before Taxes		<u>334,092,316</u>	<u>20,639,858</u>
Less : Provision for Income Tax		(91,700,000)	—
Less : Provision for Wealth Tax		(12,980)	(20,000)
Less : Provision for Deferred Tax		(14,902,300)	(7,462,657)
Less : Provision for Fringe Benefit Tax		—	(1,100,000)
Less : Income Tax Adjustments (Net)		(1,247,097)	(439,792)
Profit after Taxes		<u>226,229,939</u>	<u>11,617,409</u>
Add : Balance brought forward from Previous Year		39,262,936	38,968,615
Profit Available for Appropriation		<u>265,492,875</u>	<u>50,586,024</u>
Less :			
Transfer to General Reserve		(170,000,000)	(500,000)
Interim Dividend @ Rs. 2.40 (Rs. Nil) per Equity Share		(27,752,697)	—
Final Dividend @ Rs. 2.00 (Rs. 0.80) per Equity Share		(23,127,246)	(9,250,898)
Provision for Corporate Tax on on Interim Dividend		(4,716,571)	—
on Final Dividend		(3,930,475)	(1,572,190)
Balance carried to Balance Sheet		<u>35,965,886</u>	<u>39,262,936</u>
Earning per Share of Rs.10/- each (in Rs.)			
Basic & Diluted EPS before Extra Ordinary Items		18.76	1.00
Basic & Diluted EPS after Extra Ordinary Items		19.56	1.00

(Refer Note 13 of Schedule 14B)

Refer Schedule 14B Note 6

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
Membership No. 39755
Firm Registration No. 102646WMumbai,
Dated : 13th May, 2010

For and on behalf of the Board

Mahendra R. Mehta
Chairman, Managing Director & CEO**Milan M. Mehta**
Vice Chairman, Managing DirectorMumbai,
Dated : 13th May, 2010**C. Mohandas Pai**
Chief Financial Officer**S. G. Sathe**
Company SecretaryMumbai,
Dated : 13th May, 2010

SCHEDULES TO BALANCE SHEET

	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
12,000,000 (12,000,000) Equity Shares of Rs. 10/- each.	120,000,000	120,000,000
3,000,000 (3,000,000) Unclassified Shares of Rs. 10/- each.	30,000,000	30,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED :		
11,565,223 (11,565,223) Equity shares of Rs. 10/- each.	115,652,230	115,652,230
SUBSCRIBED :		
11,563,623 (11,563,623) Equity shares fully paid up	115,636,230	115,636,230
Add : Forfeiture of 1,600 (1,600) Equity shares (Amount originally paid up)	8,000	8,000
TOTAL	<u>115,644,230</u>	<u>115,644,230</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Central and State Government Subsidies	2,000,000	2,000,000
Capital Redemption Reserve	11,698,500	11,698,500
Share Premium	183,865,000	183,865,000
General Reserve :		
Balance as per last Balance Sheet	1,065,000,000	1,065,000,000
Add : Transfer from Profit and Loss Account	170,000,000	500,000
	<u>1,235,500,000</u>	1,065,500,000
Balance in Profit and Loss Account	35,965,886	39,262,936
TOTAL	<u>1,469,029,386</u>	<u>1,302,326,436</u>
SCHEDULE 3 : SECURED LOANS		
Term Loan		
– From a Bank	177,780,495	265,200,010
– Interest accrued and due to Bank	1,062,943	–
	<u>178,843,438</u>	265,200,010
Working Capital borrowings from Banks	362,027,594	337,296,599
TOTAL	<u>540,871,032</u>	<u>602,496,609</u>
[Refer Note 3 of Schedule 14(B)]		
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
SCHEDULE 5 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability arising on account of Depreciation	178,122,685	169,047,308
	<u>178,122,685</u>	169,047,308
LESS :		
Deferred Tax Assets arising on account of :		
Unamortized/Unpaid Expenditure	(39,052)	(39,052)
Carried forward business loss	–	(74,06,248)
Retirement benefits	(4,147,239)	(2,567,918)
	<u>(4,186,291)</u>	(10,013,218)
TOTAL	<u>173,936,394</u>	<u>159,034,090</u>



SCHEDULES TO BALANCE SHEET

SCHEDULE 6 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Sale / Adjustment	As at 31.03.2010	Upto 01.04.2009	For the Year	On Sale / Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets :										
Land - Free Hold	23,996,417	-	-	23,996,417	-	-	-	-	23,996,417	23,996,417
Buildings *	235,630,198	11,457,458	(5,766,364)	241,321,292	46,443,597	7,364,426	(1,684,210)	52,123,813	189,197,479	189,186,601
Plant and Machinery**	1,497,743,629	56,170,957	(5,772,000)	1,548,142,586	476,132,379	78,095,300	(3,411,451)	550,816,228	997,326,358	1,021,611,250
Vehicles	7,841,638	1,011,415	(571,740)	8,281,313	4,017,543	736,222	(401,782)	4,351,983	3,929,330	3,824,095
Office Equipments	22,233,419	823,163	(72,250)	22,984,332	16,244,605	3,023,368	(72,250)	19,195,723	3,788,609	5,988,814
Furniture and Fixtures	18,074,435	125,212	-	18,199,647	12,364,400	2,170,909	-	14,535,309	3,664,338	5,710,035
Intangible Assets :										
Technology Transfer Cost	113,807,382	-	-	113,807,382	43,730,751	17,391,392	-	61,122,143	52,685,239	70,076,631
TOTAL	1,919,327,118	69,588,205	(12,182,354)	1,976,732,969	598,933,275	108,781,617	(5,569,693)	702,145,199	1,274,587,770	1,320,393,843
Previous Year	(1,777,826,110)	(145,406,950)	(3,905,942)	(1,919,327,118)	(497,335,902)	(103,222,160)	(1,624,787)	(598,933,275)	(1,320,393,843)	(1,280,490,208)
Capital Work in Progress (Including Advances on Capital Account)									45,595,616	26,542,119
									1,320,183,386	1,346,935,962

* Building includes Rs. 1,18,80,739/- (Rs. 14,253,393/-) being the cost of Residential Flats for employees at Palej / Silvassa and includes Factory Building of Winding Wire Division at Palej which is retired from active use, having Net Block of Rs. 32,80,273/- (Rs.32,80,273/-).

* Excluding cost of Shares held in Co-operative Housing Society issued during the year and disclosed under Investments.

** This includes Plant and Machineries at Winding Wire Division at palej which are retired from active use, having Net Block of Rs. 78,98,559/- (Rs.78,98,559/-).

**As at
31/03/2010
Rupees**

**As at
31/03/2009
Rupees**

SCHEDULE 7 : INVESTMENTS

(Long Term, other than Trade Investments, at cost, unless otherwise stated)

Long Term :

UNQUOTED

Government Securities -

6 years National Savings Certificate
(deposited with Government Authorities)

9,000

9,000

Other Investments :

100 (100) Equity Shares of
Rs. 10/- each of Mogaveera Co-Op Bank Ltd., fully paid

1,000

1,000

100 (100) Equity Shares of
Rs. 10/- each of Jankalyan Co-Op Bank Ltd., fully paid

1,000

1,000

110 (NIL) Equity Shares of
Rs. 50/- each of Basera Co-op. Hsg. Soc. Ltd., fully paid

5,522

-

QUOTED

NIL (6,957) Equity Shares of Rs. 10/-
each of Bank of Baroda, fully paid
(Market Value Rs. NIL (Rs. 16,31,764/-))

-

1,600,110

TOTAL

16,522

1,611,110

SCHEDULES TO BALANCE SHEET

	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES (At lower of cost or net realisable value)		
Material in Transit	–	41,038,906
Raw Material	51,537,497	82,961,197
Work in Progress	65,424,906	118,770,598
Finished Goods	100,229,307	101,775,860
Stores, Spares and Consumables	53,494,062	63,579,581
Reels and Packing Material	14,780,426	14,941,121
Copper Scrap	1,728,529	1,658,091
	<u>287,194,727</u>	424,725,354
SUNDRY DEBTORS (Unsecured, Considered Good)		
Outstanding for a period exceeding six months	4,315,986	35,668,088
Others	1,369,921,371	750,894,653
	<u>1,374,237,357</u>	786,562,741
CASH AND BANK BALANCES		
Cash on hand	467,334	304,939
Balances with Scheduled Banks		
In Current Accounts	242,144,377	198,734,914
In Term Deposits	40,205,584	214,131
In Margin Money Accounts	26,900	117,500
In Dividend Accounts	2,825,118	2,309,701
Cheque in hand	3,127,434	3,014,829
	<u>288,796,747</u>	204,696,014
OTHER CURRENT ASSETS		
Interest accrued but not due	13,639	23,192
Export benefits accrued	25,496,878	16,298,371
	<u>25,510,517</u>	16,321,563
LOANS AND ADVANCES (Unsecured, considered good)		
Advances Recoverable in Cash or in kind or for value to be received	87,421,633	64,474,327
Deposits	7,888,171	6,884,271
Advance Payment of Taxes (net)	94,478,052	92,662,834
Balance with Customs and Central Excise Authorities	19,388,463	30,064,458
	<u>209,176,319</u>	194,085,890
TOTAL	<u><u>2,184,915,667</u></u>	<u><u>1,626,391,562</u></u>



SCHEDULES TO BALANCE SHEET

	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
(i) Total outstanding dues of micro / small scale industrial undertakings	1,055,230	363,726
(ii) Total outstanding dues of creditors other than small scale industrial undertakings	<u>1,018,442,257</u>	693,445,690
	1,019,497,487	693,809,416
Security Deposits	200,000	400,000
Unclaimed Dividend *	2,825,118	2,309,701
Other Liabilities	<u>118,839,874</u>	52,705,262
	1,141,362,479	749,224,379
PROVISIONS :		
Provision for Wealth Tax	12,980	20,000
Proposed Dividend	23,127,246	9,250,898
Provision for Corporate Tax on Dividend	3,930,475	1,572,190
Provision for Leave Encashment	4,427,314	3,706,340
Provision for Gratuity payable	<u>7,774,039</u>	6,663,462
	39,272,054	21,212,890
TOTAL	<u>1,180,634,533</u>	<u>770,437,269</u>

* There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2009/10 Rupees	2008/09 Rupees
SCHEDULE 10 : OTHER INCOME		
Interest (Tax Deducted at Source Rs. 3,72,076/- (Rs. 4,13,776/-)	4,097,377	3,281,083
Income from Investments *	62,613	55,656
Miscellaneous Receipts	2,450,702	1,547,655
Foreign Exchange Gain / Loss (net)	7,511,809	-
Excess / (Short) Provision of Previous Years	867,372	-
Insurance Claim Received	13,028,105	2,298,710
Profit on sale of assets	522,749	-
Profit on sale of Investment	1,426,442	-
TOTAL	29,967,169	7,183,104
* Refer Schedule 14-B Note 10		
SCHEDULE 11 :		
(A) (ACCRETION)/DECRETION TO STOCK		
Stock at close		
Finished Goods	(94,909,837)	(97,224,587)
Copper Scrap	(1,728,529)	(1,658,091)
Wire Enamel	(5,319,470)	(4,551,273)
	<u>(101,957,836)</u>	<u>(103,433,951)</u>
LESS :		
Stock at commencement		
Finished Goods	97,224,587	163,371,981
Copper Scrap	1,658,091	8,788,743
Wire Enamel	4,551,273	993,799
	<u>103,433,951</u>	<u>173,154,523</u>
(ACCRETION) / DECRETION	1,476,115	69,720,572
(B) MATERIAL CONSUMED		
Stock at commencement		
Copper Wire Rods	76,366,506	30,155,166
Work-in-progress	118,770,598	138,535,974
Enamels & Chemicals	41,666,253	45,879,121
Others	5,967,344	6,100,490
	<u>242,770,701</u>	<u>220,670,751</u>
Add : Purchases		
Copper Wire Rods @	4,931,127,549 **	4,452,524,995
Enamels & Chemicals	230,069,865	206,314,800
Others	23,214,118	24,864,507
	<u>5,184,411,532</u>	<u>4,683,704,302</u>
Less : Stock at close		
Copper Wire Rods @	-	(76,366,506)
Work-in-progress	(65,424,906)	(118,770,598)
Enamels & Chemicals	(43,019,971)	(41,666,253)
Others	(8,517,526)	(5,967,344)
[Refer Note B-2(C) of Schedule 14-]		
	<u>(116,962,403)</u>	<u>(242,770,701)</u>
	5,310,219,830	4,661,604,352
Cost of Material Purchased and Sold	51,767	4,124,528
(Accretion)/Decretion in Excise Duty on Closing Stock of Finished Goods	(844,589)	(9,247,899)
Material Consumed	<u>5,309,427,008</u>	<u>4,656,480,981</u>
Total Material Consumed (A + B)	5,310,903,123 **	4,726,201,553

** Includes Net Loss of Rs.4,88,04,294/- (1,63,05,886/-) on squared up transactions of Hedging of Copper during the year. [Refer Schedule 14B-Note 12].

@ Opening Stock, Purchases and Closing Stock of Copper Wire Rods include Material in Transit of MTs 225, NIL & NIL (MTs Nil, 225 & 225) amounting to Rs. 410,38,906, Nil and Nil (Rs. Nil, 410,38,906/- and 41038906/-) respectively.



SCHEDULES TO PROFIT AND LOSS ACCOUNT

	2009/10 Rupees	2008/09 Rupees
SCHEDULE 12 :		
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Packing Material Consumed	50,820,089	50,948,238
Stores and Spares	36,987,630	27,528,407
Power and Fuel	158,966,595	145,059,618
Repairs and Maintenance		
Building	1,151,059	1,617,337
Machineries	29,788,199	25,462,747
Other Assets	2,568,733	1,697,984
Payments and provisions for employees		
Salary, Wages, Bonus etc.	93,722,389	72,369,261
Staff and Labour Welfare	1,866,128	1,497,360
Contributions to Provident and other Funds	7,472,453	5,172,065
Directors' Sitting Fees	331,000	212,000
Rent	8,210,734	6,117,214
Rates and Taxes	912,615	943,263
Travelling Expenses	4,075,090	4,342,883
Insurance	6,636,723	4,417,018
Freight and Transportation	60,201,392	55,014,356
Commission on Sales	11,147,808	8,482,901
Cash Discount	165,182	283,996
Bad Debts Written Off	12,979,167	-
Goods lost in transit	4,577,405	-
Other Expenses	54,846,971	50,011,050
Foreign Exchange Loss (net)	-	17,870,902
Prior Period Expenses	-	39,959
Loss on Sale of Assets (net)	-	397,619
TOTAL	<u>547,427,362</u>	<u>479,486,178</u>
SCHEDULE 13 : FINANCIAL EXPENSES		
Interest on Fixed Loans	17,277,206	27,027,578
Other Interest (Banks & Others)	16,350,393	12,813,941
Discounting Charges	11,127,161	-
TOTAL	<u>44,754,760</u>	<u>39,841,519</u>

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

A. SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Preparation of Financial Statements :**

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Use of Estimates :

The preparation of financial statements in conformity with GAAP requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. Difference if any between the actual results and estimates is recognised in the period in which the results are known.

3. Fixed Assets and Depreciation :

i. Fixed Assets are stated at cost, net of Cenvat credit, where applicable less accumulated depreciation and impairment losses. Cost includes financing and other costs incurred for bringing the assets to its working condition for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are capitalised. Cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

ii. Depreciation on Fixed Assets (except those described below) is provided on the Straight Line Method at the rates specified from time to time in Schedule XIV to the Companies Act, 1956 which management considers as being representative of the useful economic life of such assets :

The management estimates the useful life of certain assets as follows :

Office Equipments	5 years
Computer	3 years
Furniture and Fixtures	5 years

Technology Transfer Cost 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, if any, are stated at lower of book value or their estimated net realisable value.

4. Impairment of Assets :

An asset is treated as impaired when the carrying cost of assets exceeds its estimated recoverable value. The recoverable amount is greater of the Assets' Net Selling Price and Value in Use. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

5. Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, if any, in the value of the investments.

6. Inventories :

i. Inventories are valued on FIFO basis at lower of cost or estimated net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

ii. 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.

iii. Cost of Work in progress includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

iv. Closing stock of finished goods includes Excise duty payable thereon wherever applicable.

7. Excise duty :

Credit availed of Excise duty / Service Tax paid on inputs is reduced from the cost of material / services and is carried forward in Current Assets, Loans and Advances pending utilisation.

8. Income and Expenditure :

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

ii. Sales are recognised at the point of despatch of goods to the customers. Sales are net of discounts, sales tax and returns.

iii. Interest income is recognised on time proportion basis.

iv. Dividend on Investments is accounted when received.

v. Insurance claim receivable is recognised in the year of the loss to the extent ascertainable.

**SCHEDULE 14 : SIGNIFICANT ACCOUNTING
POLICIES AND NOTES ON ACCOUNTS****9. Foreign Currency Transactions :**

- i. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- ii. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign transactions are recognised in the Profit and Loss Account.

10. Forward Contracts :

Premium or discount on forward contracts are amortised over the life of the contract . Foreign Exchange Forward Contracts are re-expressed at the Balance Sheet and Exchange difference between the spot rate at the date of contract and spot rate on the Balance Sheet date is recognised as gain/loss in the Profit & Loss Account, in terms of pronouncement of the Institute of Chartered Accountants of India.

11. Employees Benefits :

- i. Gratuity Benefits are accounted for on the basis of amount determined by actuarial valuation made by Life Insurance Corporation of India (LIC) using the Projected Unit Credit Method and are funded accordingly by the approved Trust. Any shortfall between liabilities determined on actuarial basis and funds available is charged to Profit and Loss account. Contribution made to LIC is charged to Profit and Loss Account. In respect of certain employees who are not covered under approved Gratuity Fund, the liability is determined on the basis of Actuarial Valuation and is charged to Profit and Loss Account.
- ii. The Company's provident fund and pension scheme are in form of defined contribution plans where contribution is made to funds / Government managed schemes. These are accounted on accrual basis and charged to the Profit and Loss Account of the year in which the employee renders the related service.
- iii. The monetary value of leave encashment benefit is provided on the basis of actuarial valuation.

12. Taxes on Income :

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.

13. Provisions, Contingent liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the company has a present obligation as a result of a past event
- (b) a probable outflow of resources is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- (b) a present obligation when no reliable estimate is possible
- (c) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

B. NOTES TO ACCOUNTS

	Rs. Lacs 2009/10	Rs. Lacs 2008/09
1. A. Contingent Liabilities :		
a. Guarantees given by Bank to third parties	534.22	1113.65
b. Disputed Income Tax Demands (not acknowledged) against which Company / Department has preferred an appeal	2.70	1.09
c. Disputed Wealth Tax Demands (not acknowledged) against which Company has preferred an appeal	3.40	3.40
d. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal	4.55	4.55
e. Disputed demand of Gujarat Electricity Board pending at Apex Court	4.22	4.22
1. B. Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for	1028.87	493.55

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

B. NOTES TO ACCOUNTS (Contd.)**2. Information pursuant to part II of Schedule VI.****2. (A) Capacities and Production - rounded off to the nearest Metric Ton (MT)****I CAPACITY @**

	Licensed ##	MTs. @@	Installed 29100 (32820)
a) Winding Wires made of Copper, all types			
b) Wire Enamels / Resins	##		1750 ** (1750) **

NOTES : @ As certified by the Managing Director and accepted by the Auditors.**##** Licensed Capacity per annum is not indicated due to the abolition of Industrial licenses as per Notification No. 477 (E) dated July 25, 1991 issued under The Industries (Development and Regulation) Act, 1951****** For Wire Enamels/Resins, Capacity clubbed together.**@@**

Installed Capacity as on 31.3.2009 32820

Less : Capacity Reduced due to closure of Palej Unit (3200)

******* Less : Capacity Reduction for Paper Taping Equipment as per explanation below (1200)

Add : New capacity addition during the year under review 680

Installed Capacity as on 31.3.2010 29100

******* During the year under review, Capacity for certain Paper Taping Equipment installed during 2008-09 reduced by 1200 MT/Year, based on usage in Double Shift instead of Triple Shift.**II PRODUCTION****Winding Wires Made of Copper (Finished Goods)**

	2009-2010 - MTs.		Total
	Own Account	Job work basis	
a) Enamelled Round Wires	13964 (11859)	4671 (4545)	18635 (16404)
b) Other - all types	1124 (628)	3741 (4439)	4865 (5067)
	15088 (12487)	8412 (8985)	23500 (21472)

c) Bare Copper Wires / Strips (Intermediate products, used for Captive consumption only)

		MTs	
		2009-10	2008-09
Jobwork - Inter Unit	Unit I	327	134
	Unit II	338	757
	Palej Unit	-	18
	Total	665	909

d) Bare Wire for Sale (1)

e) Waste & Scrap of Copper generated during process on Total Production of items covered under a & b above. (Includes 16 MT(32 MT) scrap generated from Rejected Finished Goods Returned by Customers) ** 1325 (1220)

**Out of the above, 100 MT of Waste & Scrap of Copper was despatched for conversion into Copper Rods on Jobwork basis.

f) Wire Enamels / Resins @ 1280 (1074)

@ Includes NIL (23) MT of Wire Enamels and 30 (15) MTs of Resin Consumed Captively.

2. (B) Sales and Processing Income

Sr. No.	Product	M. Tons (Rounded off)	Rupees
1.	Winding Wires made of Copper (Finished Goods)		
(a)	Enamelled Round Wires		
-	Own account	14024 (11929)	5,596,752,420 (4,992,704,654)
-	Job work account	4672 (4558)	333,476,363 (402,508,896)
(b)	Other - All Types		
-	Own account	1123 (628)	450,621,824 (238,698,415)
-	Job work account	3741 (4439)	189,463,218 (256,778,996)



SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES TO ACCOUNTS (Contd.)

2. (B) Sales and Processing Income (Continued)

Sr. No.	Product	M. Tons (Rounded off)	Rupees
2.	a) Sale of Bare Wire - Own account	-	-
		(1)	(355,961)
	b) Bare Copper Wires / Strips (Intermediate products, used for Captive consumption only) Total Jobwork charges Rs.2989122/- (Rs. 4103816/-) being Inter-Unit transactions, are excluded in Profit & Loss Account.		
		MTs	MTs
		2009-10	2008-09
	Jobwork - Inter Unit		
	Unit I	327	134
	Unit II	338	757
	Palej	-	18
		664	909
3.	Wire Enamels/Resins @		
	a) Wire Enamel Sale	40	5,011,813
		(62)	(7,939,904)
	b) Inter Unit Sale of Captively Produced Enamel from Palej (MT)		
		2009-10	2008-09
	To Unit I	705	532
	To Unit II	489	420
		1194	952
	@ Income in respect of Inter Unit Sale of Rs. 16,25,87,958/- has been excluded from Sales & Processing Income while consolidating Profit & Loss A/c figures. However, Excise Duty paid thereon and included is.....		14,044,166 (15,587,627)
4.	Total Sale of Waste & Scrap of Copper generated during process on Total Production of items covered under 1(a) & 1(b) above	1227 (1237)	379,150,203 (366,970,036)
5.	Other Miscellaneous Sales		1,542,431 (5,267,690)
6.	Sale-Income in respect of Inter Unit Transfer of Boughtout Enamels & Chemicals of Rs. 55,74,327/- (Rs. 94,87,171/-) has been excluded from "Sales & Processing Income" while consolidating Profit & Loss Account. However Excise Duty paid thereon and included is		571,342 (948,130)

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	130 (92)	35,327,600 (30,155,166)	0 (130)	0 (35,327,600)
2.	Material in Transit	225 (299)	41,038,906 (96,266,746)	0 (225)	0 (41,038,906)
3.	Enamels & Chemicals	295 (407)	41,666,252 (45,879,121)	374 (295)	43,019,971 (41,666,252)
4.	Material under process	396 (404)	118,770,598 (138,535,974)	173 (396)	65,424,906 (118,770,598)
5.	Other Raw Material	58 (44)	5,967,344 (6,100,490)	71 (58)	8,517,526 (5,967,344)
6.	Finished Goods				
	(a) Winding Wires Made of Copper (All types)	293 (397)	97,224,587 (163,371,981)	218 (293)	94,909,837 (97,224,587)
	(b) Wire Enamels	30 (9)	4,551,273 (993,799)	45 (30)	5,319,470 (4,551,273)
7.	Waste & Scrap of Copper generated during process	7 (24)	1,658,091 (8,788,743)	5 (7)	1,728,529 (1,658,091)

2. (D) Raw Material Consumed

Sr. No.	Description	M. Tons (Rounded off)	Rupees
1.	Copper		
	a) Own Account	#	15774 (13098)
			5,060,839,747 (4,426,079,031)
	b) Received from customers for production of Winding Wires on Job Work basis.	#	8412 (8984)
			Not Applicable (Not Applicable)
	c) For Bare Copper Wire produced		
	For Inter Unit Transfer on job work basis	Unit I	327 +
	For Inter Unit Transfer on job work basis	Unit II	339 +
	For Inter Unit Transfer on job work basis	Palej Unit	- +
			666 +
			(911) (+)

/ + Quantity and Value of consumption of 2(D) 1(c) above is included in 2(D) 1(a) and 2(D) 1(b) above, as applicable.

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

B. NOTES TO ACCOUNTS (Contd.)**2. (D) Raw Material Consumed (Continued)**

Sr. No. Description	M. Tons (Rounded off)	Rupees
2. Enamels and Chemicals*	1,990 (1,809)	228,716,147 (210,527,668)
*Includes chemicals used for production of enamels 1318 MT (1131 MT) / Rs. 12,08,26,563/- (Rs. 11,20,64,456/-)		
3. Other Raw Material	169 (194)	20,663,936 (24,997,653)
	2009/10	2008/09
	Rupees	Rupees

2. (E) Value of Imports calculated on CIF Basis :

(Including Material in Transit)	2009/10	2008/09
	Rupees	Rupees
1. Raw Materials	523,332,529	651,150,405
2. Consumable Stores & Spares and Repairs to Plant	10,430,979	27,884,313
3. Capital Goods	30,665,487	53,001,113

2. (F) Value of Raw Materials and Stores & Spares consumed :

	Percentage	Value (Rs)
a. Raw Materials :		
Imported	11 (14)	595,689,650 (637,600,342)
Indigenous	89 (86)	4,714,530,180 (4,024,004,010)
TOTAL	100 (100)	5,310,219,830 (4,661,604,352)
b. Stores & Spares :		
Imported	30 (17)	11,195,562 (4,743,084)
Indigenous	70 (83)	25,792,068 (22,785,323)
TOTAL	100 (100)	36,987,630 (27,528,407)

2. (G) Expenditure in foreign Currency : (Other than Imports, on Accrual basis)

	2009/10	2008/09
	Rupees	Rupees
Technology Transfer Cost	-	19,950,000
On hedging of Copper	48,803,027	16,183,948
Testing/Membership Fees	189,978	180,239
Professional Fees	141,554	105,975
Travelling	527,058	317,323
Interest on Buyers Credit	2,051,163	4,744,760
Commission on Sales	359,533	-
Exhibition Expenses	2,240,020	940,305
Repairs to Imported Equipment	1,462,490	-

2. (H) Amount of Dividend remitted during the year in foreign currency

NIL

2. (I) Earnings in Foreign Exchange :

Export of Goods on FOB Basis	232,749,155	188,654,883
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2. (J) Employee benefits :

1. The Company adopted Accounting Standards (AS15) (Revised 2005) "Employee Benefits" effective from 01.04.07.

The disclosures require as per the Revised AS15 are as under :

A. Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

	2009-10	2008-09
	Rs.	Rs.
Employers Contribution to Provident Fund	3,841,667	2,873,399
Employers Contribution to Employees State Insurance Fund	89,571	61,204
Employers Contribution to Employees Pension Scheme 1995	1,789,087	2,174,819
TOTAL	5,720,325	5,109,422

The above Plans are State Plans and the Company has no obligation to pay future benefits and its only obligation is to pay Contributions as they fall due.



SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES TO ACCOUNTS (Contd.)

B. Defined Benefit Plan :

The employees gratuity fund scheme managed by a Trust is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

1. The Company adopted Accounting Standards (AS15) (Revised 2005) "Employee Benefits" effective from 01.04.07.

The disclosures require as per the Revised AS15 are as under :

I. Reconciliation of Opening and closing Balances of Defined Benefit Obligation	Gratuity (Funded) 2009-10	Gratuity (Un-Funded) 2009-10	Gratuity (Funded) 2008-09	Gratuity (Un-Funded) 2008-09
Present Value of Defined Benefit Obligation as at beginning of the year	9,647,731	2,250,000	10,766,653	1,800,005
Interest Cost	771,818		861,332	0
Current Service Cost	939,567	449,995	824,770	449,995
Benefits Paid	(612,613)		(961,020)	0
Actuarial (Gain)/Loss	779,993		(1,844,004)	0
Present Value of Defined Benefit Obligation as at end of the year	11,526,496	2,699,995	9,647,731	2,250,000
II. Reconciliation of Opening and closing Balances of Fair Value of Plan Assets				
Fair Value of Plan assets at beginning of the year	11,422,708		11,378,625	
Expected Return on Plan assets	1,056,600		1,052,523	
Employer Contribution	129,382		0	
Benefits Paid	(612,613)		(961,020)	
Actuarial (Gain)/Loss	(30,062)		(47,420)	
Fair Value of Plan assets at end of the year	11,966,015		11,422,708	
Actual return on plan assets	1,026,538		1,005,103	
III. Reconciliation of fair value of assets and obligations				
Fair Value of Plan assets at end of the year	11,966,015		11,422,708	
Present Value of Defined Benefit Obligation as at end of the year	11,526,496		9,647,731	
Net Liability/(Asset) Recognised in the Balance Sheet-	(439,519)		(1,774,977)	
IV. Expenses Recognised During the year				
Current Service Cost	939,567		824,770	
Interest Cost	771,818		861,332	
Expected Return on Plan assets	(1,056,600)		(1,052,523)	
Net Actuarial (Gain) / Loss	749,930		(1,891,424)	
Expenses Recognised During the year in Profit & Loss Account	1,404,715		(1,257,845)	
V. Actuarial Assumptions				
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (Per Annum)	8%	8%	8%	8%
Expected rate of Return on Plan assets	9.25%	9.25%	9.25%	9.25%
Rate of Escalation in Salary (Per Annum)	4%	4%	4%	4%

Basis used to determine expected rate of return on assets: The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity scheme is invested in a Group Gratuity Cum Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India.

Amounts for the current and previous year are as follows:

(i) Gratuity (Funded)	2009-10	2008-09
Defined benefit obligation	11,526,496	9,647,731
Plan Assets	11,966,015	11,422,708
Surplus / (deficit)	439,519	1,774,977
Experience adjustments on plan Assets	(30,062)	(47,420)
Experience adjustments on plan Liabilities	779,993	(1,844,004)
(ii) Gratuity (Non Funded)		
Defined benefit obligation	2,699,995	2,250,000
Plan Assets	-	-
Surplus / (deficit)	(2,699,995)	(2,250,000)
Experience adjustments on plan Assets	-	-
Experience adjustments on plan Liabilities	-	-

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

B. NOTES TO ACCOUNTS (Contd.)

	2009/10 Rupees	2008/09 Rupees
2. (K) Remuneration to Auditors (excluding Service Tax) :		
Remuneration to Auditors		
(a) Audit Fees	550,000	550,000
(b) Tax Audit Fees	50,000	50,000
(c) Certification Fees	54,348	145,450
(d) Taxation Matters	24,001	-
TOTAL	678,349	745,450
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.		
2. (L) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :		
Manufacturing	171,057	(54,453)
Administration & Selling Expenses	(1,038,429)	94,412
TOTAL	(867,372)	39,959
2. (M) (a) Computation of profits in accordance with Section 198 of the Companies Act, 1956 :		
Net Profit before Tax	334,092,316	20,639,858
Less :		
Provision for decline in Value of Investment	-	-
Profit on Sale of Assets	(14,581,393)	-
Profit on Sale of Investments	(1,426,442)	-
Add :		
Directors' Remuneration *	23,512,529	12,846,095
Directors' sitting fees	331,000	212,000
Loss on Sale of Assets	-	397,619
Net Profit for Section 198 of the Companies Act	341,928,010	34,095,572
10% (10%) of Net Profit as above	34,192,801	3,409,557
Commission payable @ 1% (1%) of Net Profit as above to each of three Directors	10,257,840	1,022,867
- Total 3% (Prev. Year -3%)	-	-
Total Commission for the Year to three working Directors	10,257,840	1,022,867
No adjustment of Depreciation is shown above as the Company depreciates fixed assets based on estimated useful lives not lower than implicit in Schedule XIV to the Companies Act, 1956. Accordingly, rates of depreciation used by the Company are higher than or equal to the minimum prescribed by the Schedule XIV.		
	2009/10 Rupees	2008/09 Rupees
2. (M) (b) Remuneration paid / payable during the year to Managing / Whole time Directors *		
Salary	9,900,000	8,550,000
Leave Encashment	-	592,308
Leave Travel Allowance	1,137,500	712,500
House Rent Allowance	300,000	300,000
Perquisites	729,189	642,420
Contribution to Provident & Pension Funds	1,188,000	1,026,000
	13,254,689	11,823,228
Commission	10,257,840	1,022,867
	23,512,529	12,846,095

* Excluding Provision for Gratuity Rs. 11,10,576/- (Rs. 10,55,763/-) other than on actuarial valuation.



SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. NOTES TO ACCOUNTS (Contd.)

2. (M) (c) The remuneration paid / payable to Shri Mahendra R. Mehta - the Chairman & Managing Director, for the year ended 31st March, 2009 exceeded 10% of the Profits of the Company as computed under Section 198 of the Companies Act, 1956, by Rs. 27,01,749/-. However, the same is within the minimum remuneration payable as per Schedule XIII of the Companies Act, 1956. The Company has been advised that since the period of appointment of Shri Mahendra R. Mehta was for Five years up to 30.9.2008, it is necessary to obtain approval of the Central Government for payment of Minimum Remuneration to Shri Mahendra R Mehta. The Company has made an application to the Central Government for the approval of minimum remuneration paid / payable to Shri Mahendra R Mehta and the same is pending.
3. a) Bank borrowings from Bank of Baroda (Term Loan and Working Capital facilities) 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, in addition to personal guarantees of three Directors.
- b) Bank borrowings from BNP Paribas (Working Capital facilities) are secured by a second charge by way of Hypothecation of Stock-in-Trade and Book debts, in addition to personal guarantees of three Directors.
4. The Company has closed down with effect from 01.09.2008, the Winding Wire Division at Palej . The Wire Enamel Division at Palej continues to operate. The estimated net realisable value of the Assets as at the balance sheet date of the above closed down Division at the Palej Unit is not less than its Carrying Cost.
5. **Forward Contracts :**
In respect of the import of raw materials and equipments, the Company used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign currency rates fluctuations and is not used by the company for trading or speculation purposes.
- A. Details of derivative instruments outstanding (for hedged transactions) as on 31.03.2010 :

Particulars	Amount in Foreign Currency	Equivalent Amount (Rs.)
Buyers Credit	€ 397,000	24,042,320
	(-)	(-)
Buyers Credit	£ 280,000	19,048,400
	(£ 280000)	(20,401,080)
Against Capital Commitment	€ 485,170	32,739,272
	(-)	(-)

B. Details of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31.03.2010 :

Particulars	Amount in Foreign Currency	Equivalent Amount (Rs.)
Sundry Creditors	\$105,510	4,762,721
	(\$133,780)	(6,816,091)
Sundry Creditors	-	-
	(SEK 403,061)	(2,486,889)
Sundry Debtors	\$296,452	13,381,839
	(\$352,675)	(17,968,025)
Sundry Debtors	-	-
	(£ 11,665)	(849,908)
Sundry Debtors	€ 180,313	10,919,760
	(€ 65,242)	(4,402,530)
Advances from Customers	\$24,227	1,093,607
	(-)	(-)
Other Advances	€ 24,189	1,464,898
	(€ 92,829)	(6,264,081)
Other Advances	\$27,431	1,238,237
	(\$41,201)	(2,099,205)
Buyers' credit	\$2,715,443	122,575,085
	(\$2,536,676)	(129,243,665)

6. In accordance with ASI14 (Revised) on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on sales amounting to Rs. 668,700,415 /- (Rs.92,55,52,145/-) has been reduced from sales in Profit and Loss account and [Accretion]/Decretion of Excise Duty on Inventory of Finished Goods amounting to [Rs. 8,44,589/-] ([Rs. 92,47,899/-]) has been accounted in the profit and loss account under Schedule 11 - Material Consumed.

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

B. NOTES TO ACCOUNTS (Contd.)

7. As the Company operates in the single business segment of Winding Wires made of Copper, 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.
8. 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 :

Relationship	Key Management personnel and their relatives :	
Chairman & Managing Director Shri Mahendra R. Mehta	Managing Director Shri Milan M. Mehta	Whole Time Director Shri Deepak M. Mehta
Relatives of key management personnel		
Mrs. S. M. Mehta, Wife	Mrs. G. M. Mehta, Wife Master A. M. Mehta, Son Miss M. M. Mehta, Daughter Milan Mahendra Mehta (HUF)	Mrs. S. D. Mehta - Wife Mr. N. D. Mehta, Son Deepak Mahendra Mehta (HUF)

Shri Mahendra R. Mehta and Mrs. S. M. Mehta are parents of Shri Milan M. Mehta and Shri Deepak M. Mehta
Shri Milan M. Mehta and Shri Deepak M. Mehta are brothers.

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

Nature of Transaction	2009-10 Rupees	2008-09 Rupees	Related party
Rent Paid	6,336,000	4,752,450	Key Management Personnel and Relatives
Interest on Fixed Deposits	2,375,000	252,740	Relatives
Remuneration #	23,512,529	12,846,095	Key Management Personnel
Fixed Deposits taken	Nil	25,000,000	Relatives

Refer Note - 14 B - 2M (C)

- c) The Company does not have any subsidiary Company.

9. a) The following being Inter Unit Transactions during the year have been excluded in the Profit & Loss Account.

	2009/10 Rupees	2008/09 Rupees
1. Sales / Purchase & Processing Income etc.		
- Copper Wire Rods	2,989,122	4,103,816
- Enamels, Chemicals etc.	152,330,724	114,853,157
- Stores, Spares & Packing Material	1,787,395	4,267,443
2. Other Income / Other Expenses	428,010	744,265

- b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March, 2010 has been excluded from the valuation of relevant closing stock in the accounts of the Company.

10. Income from Investments consists of Dividends from Companies Rs. 62,613/- (Rs. 55,656/-).

11. (a) Amounts due to Small Scale Industrial Undertakings, and outstanding for a period exceeding 30 days are : 1. G.S. Dies Rs. NIL (8,389/-), 2. Xclusive Machinerics Pvt. Ltd. Rs. NIL (Rs. 46,000/-), and Andhra Carbon Products Rs. 44,982/- (NIL).
- (b) The Company has amounts due to Micro and Small Enterprises under The Micro Small and Medium Enterprises development Act 2006 (MSMED ACT) at the Year End.

	2009-10 Rupees	2008-09 Rupees
i) The Principal Amount and Interest due thereon remaining unpaid due to supplier		
- Principal Amount outstanding due to dispute	244,926	115475
- Interest	-	-
ii) The amount of Interest paid by the Company alongwith the amounts of the payment made to supplier beyond the appointed date for the year ending 31 st March, 2010	Nil	Nil
iii) The amount of Interest due and payable for the period of delay for making payment (beyond the appointing date during the year)	Nil	Nil
iv) The amount of Interest accrued and remaining unpaid for the year ending 31 st March, 2010	-	-
v) The amount of further interest remaining due and payable for the earlier years	NIL	NIL

NOTE : The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

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

12. The Net Loss on Copper Hedging Transaction squared up during the year is Rs. 4,88,04,294/- (Previous Year - 1,63,05,886/-) and the same is included in the cost of Material Consumed (Schedule 11-B to the Profit and Loss Account for the year).
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.

	2009-10	2008-09
	Rupees	Rupees
a. Profit after tax	226,229,939	11,617,409
b. Weighted Average Number of Shares	11,563,623	11,563,623
c. Basic & Diluted EPS before Extra Ordinary Items	18.76	1.00
d. Basic & Diluted EPS after Extra Ordinary Items	19.56	1.00
e. Face value 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
Membership No. 39755
Firm Registration No. 102646W

Mumbai,
Dated : 13th May, 2010

For and on behalf of the Board

Mahendra R. Mehta
Chairman, Managing Director & CEO

Milan M. Mehta
Vice Chairman, Managing Director

Mumbai,
Dated : 13th May, 2010

C. Mohandas Pai
Chief Financial Officer

S. G. Sathe
Company Secretary

Mumbai,
Dated : 13th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details : L31300MH1989PLC054356**Registration No.

State Code (Ref. Code List 1)

Balance Sheet
Date Month Year**II. Capital Raised during the Year (Amount in Rs. Thousands)**

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

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

Turnover

Total Expenditure

+ Profit / - Loss Before Tax

+ Profit / - Loss After Tax

Earning per Share Rs. (After Extra Ordinary Item)

Dividend Rate % (Including Interim Dividend of 24%)

V. Generic Names of Three Principal Products / Service of Company

Product Description

Item Code No. (ITC Code)

The Company deals in only one product.

For and on behalf of the Board

Mahendra R. Mehta

Chairman, Managing Director & CEO

C. Mohandas Pai

Chief Financial Officer

Milan M. Mehta

Vice Chairman, Managing Director

S. G. Sathe

Company Secretary

Mumbai,

Dated : 13th May, 2010

Mumbai,

Dated : 13th May, 2010

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**CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2010**

	Rupees in Lacs	
	31/03/2010	31/03/2009
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	3,200.34	206.40
Add / (Deduct) : Adjustments for		
Financial Charges	447.55	398.42
Depreciation (net)	1,087.82	1,032.22
Preliminary Expenses / Deferred Revenue Written off	-	-
Amalgamation Expenses Written off	-	-
(Profit) / Loss on sale of assets	(5.23)	3.98
Provision for Loss on Fixed Assets Scrapped / Discarded	-	-
(Profit) / Loss on sale/write-off of Investment	(14.26)	-
Provision for Retirement Benefit	18.32	-
Bad Debts Written Off	129.79	-
Income from investments	(0.63)	(0.56)
Operating Profit before working capital changes	4,863.69	1,640.45
Add / (Deduct) Adjustments for :		
Trade and Other Receivables	(6,006.53)	3,680.79
Inventories	1,375.31	1,183.20
Trade and Other Payables	3,926.55	(3,785.41)
Loans and Advances	(132.76)	5.06
Other Current Assets	(91.90)	222.41
Cash generated from operations	3,934.36	2,946.50
Direct Taxes paid (net of refunds)	(947.82)	(579.32)
Cash flow before extra-ordinary items	2,986.54	2,367.18
Extraordinary items	140.59	-
Net cash from operating activities	3,127.13	2,367.18
B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)		
Purchase of fixed assets (including Capital Work In Progress)	(886.39)	(1,277.94)
Proceeds from Sale of Fixed assets	71.36	6.16
Investments in Units of Mutual Funds	-	(0.01)
Proceeds of sale of investments	30.20	-
Income from Investments	0.63	0.56
Net cash generated / (used) in investing activities	(784.20)	(1,271.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in / (Repayment of) term loans	(863.57)	(379.00)
Increase/(Decrease) in Bank borrowings	247.31	(934.08)
Financial Charges paid	(447.55)	(398.42)
Issue of shares/debentures	-	(73.10)
Dividends paid	(438.12)	(487.30)
Net cash generated/(used) in financing activities	(1,501.93)	(2,271.89)
Net increase/(decrease) in cash equivalents	841.00	(1,175.94)
Cash and cash equivalents as at 1st April	2,046.97	3,293.03
Cash and cash equivalents as at 31st March	2,887.97	2,117.09

Note : Interest Income represents mainly amounts received from customers for delayed payments and income on Fixed-Deposits 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
Membership No. 39755
Firm Registration No. 102646W

Mumbai,
Dated : 13th May, 2010

For and on behalf of the Board

Mahendra R. Mehta
Chairman, Managing Director & CEO

Milan M. Mehta
Vice Chairman, Managing Director

Mumbai,
Dated : 13th May, 2010

C. Mohandas Pai
Chief Financial Officer

S. G. Sathe
Company Secretary

Mumbai,
Dated : 13th May, 2010



PRECISION WIRES INDIA LIMITED

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

21ST ANNUAL GENERAL MEETING 2009-2010

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 **21st Annual General Meeting**
of the Company to be held on **Friday, 23rd day of July, 2010** at 02.30 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2010.

*DP ID : _____ *Client ID : _____

Reg. Folio No. : _____

Signature _____

*Please
affix
Revenue
Stamp*

No. of Shares held : _____

- NOTES :**
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 LIMITED

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)

Reg. Folio No. : _____ *DP ID : _____ *Client ID : _____

No. of Shares held : _____

I hereby record my presence at the **TWENTYFIRST ANNUAL GENERAL MEETING** of the Company to be held on **Friday, 23rd July, 2010** at the Hall of The Mysore Association, 1st Floor, 393 Bhaudaji Road, Maheshwari Udyan (Kings' Circle), Matunga (Central Railway), Mumbai - 400 019.

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

Signature of the Shareholder / Proxy _____

* APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM.

BOOK-POST



PRECISION

If undelivered, please return to :

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