

34th Annual General Meeting
Precision Wire India Limited
September 4, 2023

- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Good morning all the shareholders and a very warm welcome to everyone attending this 34th Annual General Meeting of our company. The AGM is being held by video conference in accordance with the provisions of Companies Act 2013, various circulars issued by the Ministry of Corporate Affairs, and by the Securities Exchange Board of India. We have taken all efforts to enable the shareholders to participate through video conference and vote for the AGM in a seamless manner. We have received a resolution from 4 corporate shareholders constituting 17% of the paid-up capital of the company. Participation of members through video conference is being reckoned for the purpose of quorum under Section 103 of the Companies Act. In accordance to the provisions of Companies Act 2013 and SEBI Listing Regulation the members have been provided the facility to exercise their vote both through remote e-voting and voting at the AGM. Remote e-voting facility was made available to all the members holding shares as on cutoff date, that is on Friday, 28th August, 2023. E-voting had started from 9:00 AM on Friday, 1st September, 2023 till 5:00 PM on Sunday, 3rd September, 23. Members who have not casted their vote earlier through remote e-voting are requested to cast their vote anytime during this meeting. Members are also provided the opportunity for inspection of document at NSDL portal and also on the website of the company. In case they have any query, they can mail us at investorgrievance@pwil.net.
- Now, I would like to take the opportunity to introduce our board members who are attending this 34th Annual General Meeting. We have with us;
- Mr. Mahendra Mehta, Chairman and Founder of the company. Mr. Milan Mehta, Vice Chairman and Managing Director of the company. Mr. Deepak Mehta, Whole Time Director of the company. All these three Executive Directors are attending the meeting from their office of Precision Wire situated in Mumbai, Prabhadevi. We also have with us Mrs. Swati Maheshwari, Independent Director and Chairman of Stakeholder Relationship Committee in meeting of the company. She is attending the meeting from her house situated in Mumbai.
- We also have with us Mr. Pradeep Roy, Independent Director and Member of Audit Committee and Nomination and Remuneration Committee. He is attending the meetings from his home situated in Mumbai. Mr. Niraj Bhukhanwala, Chairman of Audit Committee and Nomination and Remuneration Committee and a member of Corporate Social Responsibility Committee is attending the meeting from his office situated in Mumbai, Andheri.

- We have with us Ms. Asha Morley, Independent Director of the company. We also have with us Mr. Shalin Divatia, Statutory Auditor, Ms. Ragini Chokshi, Secretarial Auditor, and scrutinizer for this e-voting. Mr. Mohandas Pai, Chief Financial Officer of the company. Mr. Nirbhay Mehta, Senior Vice President of the company. Mr. Arjun Mehta, Vice President of the company. Parameswaran Iyer, DGM, Accounts and Administration of the company.
- Since the e-voting is operational for the AGM, it is not required to put each resolution to vote, therefore there is neither proposal nor seconder. Since meeting is held through VC, the option to appoint a proxy is not available and the proxy register is also not available for inspection. The company has appointed Mrs. Ragini Chokshi, a renowned Practicing Company Secretary to scrutinize the e-voting and voting at the AGM for this 34th Annual General Meeting of the company. The results of the voting will be announced 48 hours from the conclusion of this 34th Annual General Meeting and same will also be available on the website of the company and on the website of Stock Exchange that is on Nifty Limited and NSE Limited. The question and answer session will be taken after all the agenda items will be considered.
- Thank you to all the shareholders who have registered themselves in this AGM as a speaker-shareholders. The question and answers will be answered by the officers of the company. To conduct this meeting in a smooth manner, there are few norms which we will adhere. Members are encouraged to join their meetings from the laptops or headphones for a better experience. Speaker shareholders are requested to mute their mic unless requested. Members are requested to mention their name and locations. Members are requested to avoid duplication of questions and they are also requested to speak clearly, audibly, and slowly, so that their question can be heard properly.
- I now request our Chairman, Mr. Mahendra Mehta to continue with the proceedings of the meeting. Over to you, Sir. Thank you.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Thank you, Deepika. I'm Mahendra Mehta, Chairman, Precision Wires India Limited your company. I'm speaking from Bombay at my office today, 4th of September 2023 at the 34th AGM held here for the company. We have quite a number of shareholders at the moment and Company Secretary has announced that there is adequate quorum and therefore I declare this meeting as validly constituted and we proceed with the business. Before I do, I have though a pleasant duty, a customary duty outputted to address you all and give you some details. It's my pleasure and privilege friends to welcome you to this particular meeting 34th AGM of Precision Wire India Limited held at Mumbai today on 4th of September, 2023. Quite a lot has happened during the previous year. There are very many important events including, we have increased our authorized capital, so as we have the higher paid-up capital for the FY2022-23.

- One of the senior most member of the board, Mr. Ashwin Kothari, who was quite very well highly qualified and experienced person has switched to be the Director because he completed 10 years sometime in 23 January. We have with us Mr. Niraj Bhukhanwala, highly qualified IIT gentlemen with lots of foreign qualification in technology, in finance, and experience at London for two years or more and besides everything he's an entrepreneur himself and the Managing Director of quite a group of the company. He is around here and I'm very delighted to have him and say thank you for joining the board. We have also with us, Mrs. Asha Morley, she's from Kerala, a very highly qualified Chartered Accountant and she's auditor to very many banks including the biggest bank in the country, State Bank of India and she's adviser in all matters of finance and management to number of companies. I welcome Mrs. Morley to join us and give us a pleasure of your experience maam, thank you so much. We have also Mrs. Swati Maheshwari, who has worked or has joined the board quite a number of years and she's completing her tenure with the close of this meeting of this particular day. She was the Chairman of the Remuneration and she is the Chairman of the shareholders Grievances Committee and she has performed so well in a silent way and sorted out problem with the help of the Company Secretary and we hardly have pending outstanding problems, which are unsolved so far as the members are concerned. We thank Mrs. Maheshwari to have a pleasure of working with us and we share all the best in life.
- Friends, this particular year has been eventful as I said earlier to you because your production is higher, so is your income. I'll put it sales income, which has gone up by maybe 13% to 14%. Though our do over suppliers of primary raw material mainly is Hindalco, the other one Vedanta unfortunately continues to remain closed for the six successive years and we are hopeful that there might be some of the positive results in the coming year or so. Nevertheless, your management has been able to ensure a continuity of the pipeline of the raw material and we didn't have much of the difficulties, of course we had to import some of the copper, which we have been usually doing for our otherwise also to our second source or third source of supply. Our exports are encouraging. This year under review, we have exported substantially more which could be the reason of the geopolitical situation in Europe and some of the European customers have been quite happy with the services and the product and thanks to the Vice President, Mr. Nirbhay Mehta because he has made a number of trips to the customers and tried to solicit the orders and we have been going.
- So far as the other problems of the company are concerned, we have not had any eventful interruption in our working. Our bankers HDFC as well as the ICICI primarily and partly Kotak also, they have been very kind of with us and whenever we needed additional funds due to the market parameters, we have been promptly given by them, so that we have been able to keep the continuity. Your financial issues are comfortable for the year, your debt equity ratio is good, you must be happy that your company has discharged all its financial commitments in time without any delay or default and we have therefore earned a sort of a kind eye from our bankers, so that they can help us as and when we need.

- So far as the working of the company is concerned, the management has executed hard despite the fact that internal domestic competition of their products remains very, very intense. This is thanks to the fact that there are a number of units in the country and the capacity is fragmented. So far, in our country, the sort of merger or the amalgamations or the closers do not happen purely on the cost angles or profitability angles, but there are so many other considerations and I'm sure that with the economy going ahead with the full steam, this parameters will change in next decade or so and there will be consolidation. We look forward to perform. We are equipped with the low gear ratio and our debt is very low, it's very encouraging and we still follow a conservative approach so that we are not trapped into the cycle because the country is still developing one and not the developed one and it is likely that so many issues might crop in and I have requested the board to continue to adopt till then some conservative alright. We have with us Mr. Milan Mehta who would answer your question with the help of his management team and I wish you all the best for the year and I hand over this now to the Company Secretary, if she has anything else to say, otherwise I proceed with the business of the agenda in accordance with the notice of agenda, which has been sent to you in time. Thank you, my friends. Thank you so much for bearing with me.
- Now, we move to the agenda item #1, which is consideration of the – adoption of the audited financial statements of the financial year ending 31st of March, 23. As the notice along with the annual reports have been circulated in advance by the company along with the auditor report etc., I take it for as them as read both audit report, independent statutory auditor, as well as the secretary report with your consent friends. I therefore take both of them as read. Thank you.
- Now, the question about the as the Company Secretary has said you have so far received every all the information and documents in time in connection with this particular meeting and it is not necessary therefore for us at this particular meeting to set the proposal and the seconder for the each item of the agenda. I would therefore take it that item #1 as read and proceed the item #2.
- Item #2 is about the declaration of the dividend. Your company has been paying very handsome dividend all along during last about 15 or 20 years or more. We are more or less or we will say that we are shareholder friendly and we have during the year under review given two installments of the dividend both 30% each aggregating to 60% of the dividend which was declared and paid. Now, with your consent and approval friends, your directors have proposed to pay a further dividend amount of 36% making the total dividend payable or paid to 96% for the year 2022-23. This is all about the fact that we have announced the in the past the issuance of the bonus share and split our shares in smaller denomination to have the larger shareholders members community with us. With this, I will take this item also as read and pass it on to the next item of agenda that is as per the agenda item #4 and friends and Item #4 of the agenda maybe 3 to 5 five also all these three items, I'm interested party and therefore I vacate this chair and request the Chairman of the Audit Committee and the Remuneration Committee, Mr. Niraj Bhukhanwala to take over and conduct the further proceedings. Thank you and over to you Mr. Bhukhanwala please.

- **Mr. Niraj Bhukhanwala -- Chairman of Audit Committee & Nomination and Remuneration Committee, Precision Wire India Limited:**
- Thank you. Thank you, Mahendra Bhai. I would like to look at item #3 and 4 first for our shareholder community that the item #3 is the appointment of Mr. Mahendra Bhai Mehta as a Director liable to retire by rotation and it is resolved, the proposal is that, he is eligible for reappointment and therefore we propose to have him reappointed as Director of the company who shall be liable to retire by rotation in accordance with Companies Act 2013. As Company Secretary has mentioned, the voting is available online, so we do not need a proposal and seconder for this, so we will treat it as this item is read and approved.
- I move to item #4, which is the reappointment of Mr. Mahendra Bhai Mehta as Chairman and Director of the company. I think it is a great honor that Mahendra Bhai continues to remain fit as a fiddle to continue his leadership and you will find the details of this agenda item #4 on page 14 of the annual report, which you would have had a chance to read for the terms and conditions for Mahendra Bhai to be reappointed as Chairman and Director. So, as has been discussed, we will treat this item also as read and approved.
- For item #5, which is the approval for appointment of Mr. Arjun M. Mehta as Vice President, it is my great pleasure to be introducing Arjun to the shareholder community. He's had extensive interactions with the board members and he brings great expertise both on the technical side and business training and I think it will be a great asset to have him in the company. You can look at item #5 the details of this including Arjun's profile are given on page 17 and it also lists out the remuneration for Arjun that has been discussed and approved by the remuneration committee and so as has been discussed, we will treat item #5 for the approval of Arjun Mehta as Vice President as read and approved. So, thank you for allowing me to take the Chair for these three items. I'll hand this back to Mahendra Bhai to continue with item #6.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Thank you, Niraj Bhai. Thank you very much. Now, I take over the item #6, the appointment of Mrs. Asha Morley as Non-Executive Independent Director of the company. As I mentioned to you in my formal speech that Mrs. Maheshwari is going to seize to be the Director and we couldn't have a more qualified, highly experienced person than Mrs. Morley to invite her and she was kind enough to agree to join our board and on behalf of all of you as I said earlier, I once again welcome her and look forward to work with her for a long time. I recommend strongly to appoint her and therefore, I take this particular item, the special resolution of item #6 appointment of Mrs. Asha Morley as the Non-Executive Independent Director of the company as read. **23:41 to 23:45 Voice Breaking** gentlemen I proceed to the item #7 now which is the ratification of the remuneration to the cost auditor Messrs. Gangan & Co. for the financial year ending 31st of March, 23.

- The remuneration decided was 2.75 lakhs, which is considered reasonable and appropriate and I request that this item be also consider read and approval be counted.
- Thank you, gentlemen. As there is no other item of the agenda, I shall now request all the members who have registered themselves as the speakers as well as those who have sent out the queries and questions for the question answer, I will request the complete secretary, Deepika to take over please and conduct this meeting further before we go to the next item. Thank you very much. Yes, Deepika please.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Thank you, Chairman Sir. Now, we'll proceed with the question and answer session. I would like to invite our first speaker shareholder, Mr. Anil Sanghvi. Mr. Anil Sanghvi are you there?
- **Mr. Anil Sanghvi – Shareholder:**
- Thank you for the great remarks, Mahindra Bhai and Milan Bhai. The questions are, I have a couple of questions which I would like to ask. So, after reading almost last 10-12 years of annual report and whatever little material was available around the subject, it seems that we are entering into some sort of electronic vehicle businesses in terms of supply to some of the EV value chain, is it the right time for you to expand now upon the subject and explain what exactly this is and somewhere I found a comment where we are slightly early in the game versus the competition and therefore we have a three to four year window by which we can really take ahead and get some lead in this project of EV.
- The second piece is generally we are doing a very step up slow-slow increase in the plant capacity and usually we do not require money because as Chairman said we are very efficient on the balance sheet and other items, so what was the money raised for? What was the communication given to the QIP investors that why are we raising that money and what is the purpose? It would be great if the minority shareholders also understand the purpose of the same so that the information asymmetry is not there and we do understand the same what they have understood about the company.
- The third part is about the since 2010 in the annual reports, we have been saying that there is a lot of small scale units and there is a the competitive intensity is high, Chairman Sir also mentioned something about consolidation which is not happening yet, but in the next decade we may see something around that, what are your thoughts over 5 plus year period that can we have our market share which probably is around 10%, do we see this over a 10-year period increasing to 20%-25% and is that a possibility and under what conditions will it happen? And a connected question there is that because we are choosing the customers and we don't want the customers where we have to run after them for collections naturally the choice of our customers will be slightly larger, more capable OEM's, and with this overall Make in India, electrification, and a lot of other things which are happening in the country

over the CapEx boom, do we see the demand from organized sector being much more and therefore a natural outcome of that is our market share increases because we are a quality supplier to them.

So, your holistic thoughts around this entire topic of consolidation and where our market share will go it would be very interesting to hear. Some smaller questions are, what is the role of logistics in this business because we have our plant only in the western part of India and how much does the logistic cost play or become a disabler to supply to the long distance area and what are the typical order sizes, like is it I mean in terms of weight does it translate into starting from KG to hundreds of tons or the typical order sizes are 5 tons, 10 tons something like that and again, if you can also quantify it in terms of value like per billing, is it 20 lakhs, 50 lakhs or some. This will just give us a sense of the order cycle, sales cycle, how are people ordering etc... Just one sec. I am referring....ya. In FY14, there was a mention about substitution of copper by aluminium and there was some worry especially in the small rotating and small electrical equipment. At that time, you had mentioned that before investing in anything new, you would first like to investigate and then later decide whether we want to go ahead. Now of course, this is an old thing but price of copper has gone up by 60-70pc in these many years, 7-8yrs. and maybe aluminium is up by half of what copper has increased. So does this kind of worry surface again in those small equipments where currently copper items are going and there can potentially be replaced. I do understand that copper has a higher electrical conductivity but still there might be some people who might be using it for the benefit of cost. So your thoughts on that. Between 2012 to 16, like 4-5yrs., our production capacity remained at almost 25000 metric tonnes and even at that time, you were fairly positive about the overall direction of the economy. You used to say all the time that today or tomorrow, the electrical capacity ramp-up has to happen in India and time will come. So what are your thoughts now? We see a lot of electrification related orders across the system and where are we in that cycle according to you?

- In terms of exports, again because there has been, for the last many many years, there are comments about, "Yes, we can export but some of the aspects are affecting the competitiveness of our country for exporting this. Where are we and we have been able to maintain some 10pc of exports, so how are we actually competing for those 10pc and why can't we really ramp the exports upto materially higher number? What are the problems there, if you can highlight? I have 3-4 more questions. What are the corona....I mean I don't know how do we spell that, pronounce that? What are the corona resistant winding wires? Why do they get prematurely burned because I saw the Shramik brand people and their presentation, they are saying that they are the only ones with the right machinery to provide this?

And are we there in this business? What are the other line extensions that we can plan, now that 2 younger....I mean 3rd generation people have joined. So I assume that, for a stable state company that we are running, 2 additional members who have joined, the expansion plans and thought processes and new technical skill set, the management bandwidth is much more than what we are doing today. So what are your thoughts over the 5-7yrs. period? Thank you. I think most of my questions are....I think they are done. Thanks a lot.

– **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**

- Thank you Mr. Sanghvi. You are quite thoughtful about the company's affairs and your questions will be answered by Mr. Milan, Managing Director. Thank you. Yes please.

– **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**

- Good morning Anil bhai. 1st question of yours talks about EV business. Are we early in the game? Yes, we are early entrants in the game in India. 2nd, your point was, you wanted a brief introduction to, how this winding wire will be used in EVs? So, the basic point is that in EVs, instead of internal combustion engine, you have an electric motor which does the job of an electric drive to drive the vehicle. This is not a normal electric motor. This is a high performance, high energy density electric motor. So the types of winding wires required here for these applications, both in EV and hybrids. Hybrids also have a similar kind of electric motor with an integrated software system to switch in and out with the internal combustion engine. So basically the electric motor is going to play a much more central role in the automotive industry and the internal combustion engine is going to gradually phase itself out. Winding wire, as it is a very critical component like any electric motor, therefore becomes an important part of electrification.
- 2nd question, you asked was about preferential allotment. Why we have raised the funds? Why specifically? The answer to that is, we have raised the funds for long term uses primarily. We are working on those plans as we speak and we are at some stage of forming our ideas and within the next few weeks or months, we will come out with some concrete plans on how we intend to use those funds.
- 3rd question was regarding the intense competition from the MSME and SSI sector. This is actually nothing new if you read the annual reports of our company for the last couple of decades. Every year, the Chairman has been mentioning in the Director's report and in the management's discussion about this phenomena. I feel that with the formalization of the economy with the digitization, formulization of the taxations system, both GST and Income tax and also increasing quality consciousness in the minds of the consumers, I feel that the organized sector will become more important as time goes on. Of course, it takes time for this consolidation to happen but I think that the process has already started.

- The next point that you raised was on role of logistics in the business. Of course like any other business, logistics and proximity to the customer plays an important part. So we have got depots at 4 locations in Noida, in Ahmed Nagar, in Bengaluru and in Chennai. So that coupled with the location of our plants ensures that we are within striking distance of most of our customers in a very short time.
- Your question regarding typical order size and what kind of billing value is there. So typically, I would say, round number would be, the billing size maybe starting at say a lakh of rupees and it might go to over a crore of rupees per invoice, depending on the type of product and the type of customer. Of course, this is a very ball park figure. Please don't treat it as a generalization or anything specific.
- Your question on copper substitution by aluminium. Aluminium and copper have been co-existing in the winding wire industry for a very long time. For the very small motors and less critical applications and certain cost sensitive applications, aluminium substitution has been going on for a long time. However, on balance, while this is absolutely a factor to be considered but this is not unduly worrying us because there are many many segments in which you can participate. Aluminium is one segment. It is a price sensitive and cost sensitive segment. We may intend at some point of time to participate in aluminium but we will take part selectively. Copper on the other hand, with the electrification and with the greening of the global economy, copper as a metal has a huge role to play as far as winding wires are concerned. So we don't feel unduly worried by that.
- So another point you raised is, during 2012 and 16 period, our capacity was stagnant. We were positive back then. What are our thoughts now? So our thoughts now are that, we are quite positive about the trajectory of the Indian economy. We are also positive about exports, the China plus 1 factor plus our over 1 decade experience in exports, we feel has opened up more vistas even on the export front for us and the domestic economy is likely to grow quite well in the next 10-15 yrs. The energy consumption per capita during the next 20 odd years is expected to rise at a very healthy rate. This will in turn increase the demand for our products quite significantly.
- You had another question on the exports.. you were asking, how we are faring and what kind of problems we are facing? Well, exports is a very long term business. It doesn't happen immediately. It takes a long time for your customers and for your markets to trust the brand. I think we have reached a particular inflection point. Last year, our exports have grown by around 70pc plus compared to the preceding year. We have got several export propositions which are in the pipeline and we are quite positive about our long term prospects and the China plus 1 factor and the re-engineering of supply chains all over the world will add to our export opportunity.

- You mentioned something about the corona resistant wires and you made some reference to our competitor. I would not say anything about competitors but I would say that we are making corona resistant wires since a long time and we are approved by Indian Railways as well as several other prestigious clients.
- The last question you raised was regarding other businesses since there is an induction of the 3rd generation in our family joining the business. So our thoughts are that, yes, as part of an overall induction of 3rd generation and in trying to find out the future role that they may play in the company's growth. As part of that, we are evaluating other businesses at this point of time but I cannot give any precise plans or time frame at the moment but we are actively discussing some of those points internally. I hope I have answered all your questions.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Thank you. Deepika, next gentleman?
- **Ms. Deepika Pandey – Company Secretary & Compliance Officer, Precision Wires India Limited:**
- Next gentleman is Digant Haria. Our next speaker is Digant Haria. Sir, are you there?
- **Mr. Digant Haria – Shareholder:**
- Yes, am I audible?
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Very much.
- **Mr. Digant Haria – Shareholder:**
- Ya, so I will not repeat because you answered a lot of questions Milan bhai. So I will just ask the questions which are probably not answered from my side. So my 1st question is, we did around 35000 tonnes of volumes this year and with the new capex coming on stream, we will reach probably 49000 tonnes. So this additional 14000 tonnes of spare capacity which we have, how are we planning to utilize it? Will it mostly be by the new products which may have better margins than our existing base business or will it be a mix of the base business plus some new product. So I am just trying to arrive at, you know, will our margins remain in this 4-4.5pc band or is there a scope for this margin to improve as we introduce new products? That's my question no.1.

- My question no.2 is that, see, we have the entire range of this copper winding wires and copper conductors. We are the leaders. We probably have. So are there any gaps in this particular thing or for new products, we have to really go to something like EV or something like say Ram Ratan did with copper tubes, which are used in air conditioners, conducting and all those things. So what is the scope for new products for a company like us which already has a lot of products? That's my question no.2.
- And question no.3 is, on the export front, we have grown from 100cr. 2yrs. back to 300cr. now. So it's a very very significant jump that we have done. So just wanted to know that even in the export market, do we follow the same principles of our domestic business that we will do business only with good and reputed players there? Are we directly in touch with them? Like let's say, ABB and Cummins factories in India, are they referring us to their factories abroad and hence we are able to go there. Do we have to take special approvals of factories outside? Do we have the right product portfolio? Any such.....what efforts are we taking and at what stage are we? You mentioned that we are at an inflection point. But just wanted some more qualitative details on the export business because I think that is where the margins can be better and my last question is that, lot of these macro observers keep on saying that the copper prices will shoot up. There will be shortage of copper. So how have we planned to.....how are we diversifying our supply base in copper?
- So these 4 questions from my side. I think some questions have already got answered via email. So thank you so much for that.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Thank you Mr. Haria. Thank you Milan. Please take over.
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- Ya. Hi, good morning Digant. How are you? Your 1st question was pertaining to the additional 9000 tonnes of new capacity which would come in on stream in Q3 and Q4 this year. Whether it would be new products or old products or what kind of products' mix would be and how it would impact the margins? That was your question. So this new capacity is a mix. It is also catering to our existing market segments. It also caters to some possibilities in the EV and hybrid vehicle segments. Also there is some focus on existing as well as new export related opportunities. SO it's a mix of capacity enhancement. Scope of improving margins – over the longer term, yes but this takes time and it takes efforts but of course, that would be our intent.
- 2nd question you asked was, what are the gaps in our existing capacity and what is the scope for introducing new products? So gaps in our winding wire capacity will always emerge as the economy grows, as the Indian consumer gets more prosperous. The gaps will always grow. In some segments, the gaps may happen

faster than other segments. So we have to be alert about which segments are growing well. We have to be alert about what the quality of the customers in each segment and whether we are making a strategic difference to the customer in each segment? Regarding your question about scope for new products. Of course, we are evaluating, looking at new products. However, this has to be evaluated again in the long term and strategic perspective.

- 3rd question was pertaining to exports. Do we follow the same principles of approaching good long term customers abroad as we do in India? So my answer to that is, absolutely. All the customers that we have abroad are very happy currently with the services that we provide to them and they are looking at us absolutely as a long term supplier. It does not make any sense in the export market to be anything but a long term supplier. Are we approaching customers having factories in India etc. for approvals? Yes, we are but in many cases, this doesn't happen through India. It happens directly from their headquarters as well. So we are doing that. We are interacting, both with their India operations of supply chain as well as their global purchasing operation. What kind of efforts we are making to improve our exports? Well, we are extensively visiting our potential customers. We are participating in overseas exhibitions and now with the reconfiguring of supply chains and the China plus 1 factor, we are seeing that overseas customers are more and more approaching us so that's a good sign.
- Last question, you asked was regarding copper prices. Will they shoot up? So my answer is, I don't know. I am not a metal analyst so I don't know what will happen in the future. Some people say that it will but I don't know exactly the time frame when that may happen. Regarding the supply chain situation on copper, you will be glad to know that Adani Group is coming in with new large copper smelter, which is expected to start producing next year and Adani has announced their intent to raise their smelting capacity in 2nd phase to 1mn. Metric tonnes per year. So I think, this is a very welcome announcement and it will serve the Indian industry quite well. So I think I have answered all your questions.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Thank you Milan. For both, Mr. Digant Haria as well as Mr. Sanghvi, I have some supplementary information to give you. About the exports, though India is a growing country but our geo-political influence could be the main factor in pushing up our exports subject to proper quality and the terms being followed by us in the long term by us in the country. There is a tariff discrimination. I will give you an example that zero duty imports are available to the North African 53.06 countries including Egypt and all others upto Ghana whereas from India, the export is at 10pc of the duty, where there is a low added value so far as the countries are concerned in copper business particularly. 10pc of tariff discrimination, you can't export. Therefore the geo-political situation of the country is to be improved and which is improving and government is engaged actively in signing FTAs or PTAs and we hope that when the tariff discrimination is zero down, the country is not only offer our type of products

but any type of product will improve because Indians are engineers and hardworking people and we can certainly bear the temporary setbacks and try to improve ourselves. Therefore, tariff discrimination is the main thing. Secondly, India is not known as an exporting country at all. Therefore the markets of making the products world over is being controlled by the western countries entirely. They have to sustain their own markets. Mark my word. To sustain the domestic market, they have their own very strict verification and inspecting modes which might last for 2-3yrs. or more. They don't accept you, regardless of the fact that your product may be meeting the international standards. So this sector is slowly get merged into your system and it's not a one day's job or one year's job. It is 100pc, let's look at this. Well, our neighbour's could be our good importing countries but they could be importing your products through 3rd countries, who knows? So this is a different ball game all together, exports you see. And many countries do not have foreign exchange. Like once again, North African countries or some of the even European countries are facing a paucity of dollars. So it all depends on many many exporting factors but I accept the point of both Mr. Haria and Mr. Sanghvi and confirmation by Mr. Milan that we try to stick to the highest standards of ethics as well as quality, so far as exports are concerned but we look forward that it's a matter of decade and decades when India will be recognized at face value. We are being recognized at the moment on the surfaced scratch, not the face value. And I am glad that you got interest into that matter.

- About this one more question on capacity by Mr. Sanghvi. You know, at present Milan, Precision Wire is operating already on 85pc of the capacity utilization. So the capacity, suppose a textile mill is producing a count of 120 **56.40** as against 75, the capacity goes down to 40pc only of the overall installed capacity. So this depends on the market factor and when the technology is evolving world over and people are trying to save the money like when I started my career, in the wiper motor of automobile, there was an 'X' sized being used as the mini motors. Now it has gone down to X minus some size by having upgraded the quality of the motor including the quality of the winding wire. So the technology is constantly upgrading all over the world to look after the cost and to maintain the living standards, you see. Thank you very much friends. Next question please.
- **Ms. Deepika Pandey – Company Secretary & Compliance Officer, Precision Wires India Limited:**
- Thank you Chairman Sir. I would like to call our next speaker Vinay Bhide.
- **Mr. Vinay Bhide – Shareholder:**
- Am I audible?
- **Ms. Deepika Pandey – Company Secretary & Compliance Officer, Precision Wires India Limited:**

- Yes, yes.
- **Mr. Vinay Bhide – Shareholder:**
 - Fine, thank you. Chairman Mahendra bhai Mehta, Managing Director Shri Milan Mehta, distinguished directors on today's call, company executives, shareholders good morning to all of you. I'm Vinay Bhide, company shareholder speaking from Mumbai. Just two, three points, I just wanted, some clarity. The first question is that one of the sector's, which we cater in terms of binding wires is the consumer durables sector. Now, considering that, we are at the onset of the festive season, what has been the demand for the binding wires for catering to the consumer durable industry this year as compared to last year? That is the first question.
 - The second question is that, our margins on the export front recognizably better than what we would have in any domestic supplies, question number two. And question number three is that for financial year 22-23, our turnover was 303 crores up from 268 crores the previous year, whereas, net profit was under pressure at about 60 crores versus 63 crores in the previous year. For having regarding to the explanations that you gave Chairman sir, at the outset of the meeting. How do we see the situation in the running financial year, as compared to the previous year in terms of the price fits. These were three questions which I had in mind. I must now, thank you, for the detailed answers that you have given to all our questions and I will close with your best wishes to you sir, the directors and employees. Thank you, sir, for the opportunity to speak.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
 - Thank you, Mr. Bhide. Yes, Milan.
- **Mr. Milan Mehta – Managing Director, Precision Wire India Limited:**
 - Hi, Good morning, Mr. Bhide, your first question regarding consumer durables sector demand during the festive season this year versus last year. So, I think, this year, the company is in the consumer durables segment like air conditioning industry, refrigeration industry, home appliance industry, those are household consumer durables, and if you treat automotive also as a consumer durable, then that's a larger market segment. But I think we'll come to know that answer more precisely after about six weeks when the festival is... when the stocking of the retailers by these consumer durable manufacturing companies, what kind of stocking they do, what kind of demand they forecast. I think it will be known in the next two months. They were actually very bullish at the start of the monsoon. But as you know there has been some rainfall deficit in the month of August in many parts of the country, which is causing some anxiety to these suppliers in this segment. So, I think we have to wait and watch.

- Second question regarding the exports and the margin for exports what we get, I can say without being overly specific that the margins are slightly better than what we get in the domestic market.
- The third question regarding the profitability vis-a-vie the turnover, you have mentioned that despite a higher turnover of around 3,000 crores in FY 22-23 our profitability was lower slightly. The reason for that is because of a lot of inflation we faced all through FY 22-23, that I think was a spillover of FY 21-22. And it was a post COVID supply chain related inflation spike, which was observed all throughout the world. I feel that some of those inflationary impacts are beginning to gradually mitigate and I hope that in the second half of the current year, I hope that inflation will soften up gradually. I hope I've answered all your questions. Thank you.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Thank you, Mr. Bhide. If I would give you a small interesting anomaly so far as the profitability versus turnover is concerned. It is not in direct ratio variation anytime. If you compare a goldsmith who is having a small shop of 10 feet by 20 feet or 10 feet by 10 feet, his turnover could be much more than our textile loom owner who has got 26 operating looms in this factory and his turnover would be in million of rupees, whereas the goldsmith may have turnover for his one shop could be more than that. So, turnover is not the yardstick of profitability, turnover depends on the cost of the input and other factors you see and the conditions operating around in the country as well as in that particular industry. Thank you so much. Any other question then? Any other questions?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- No, no, we are moving to our next speaker.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- All questions are discussed?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- No, sir, we have speakers.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Any other one Milan?
- **Mr. Milan Mehta – Managing Director, Precision Wire India Limited:**
- There are several other speakers who are waiting.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Okay.

- **Mr. Milan Mehta – Managing Director, Precision Wire India Limited:**
- Please go ahead. Yes, please go ahead.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Our next speaker is Anil Babubhai Mehta.
- **Tech Support:**
- The person with the said name is not connected in the meeting.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Okay, we will move towards our next speaker, Swechha Jain.
- **Mr. Sushil Jain – Shareholder:**
- Yeah, can you hear me?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Yes.
- **Mr. Sushil Jain – Shareholder:**
- Yeah, this is Swechha Jain here, thanks for the opportunity and first of all, thank you so much for answering all the questions in so much detail, very few AGMs, I have attended where the management is answering with so much detail. So, thanks for that. So many of the questions have already been answered. Just two three question, firstly, typically, what is the execution cycle, so once we receive the order, and we execute the order, because our margins were very stable, and we do the back-to-back raw material sourcing. So, first question is that.
- Secondly, post the Vedanta close, we do import copper. So, do we face any availability issue and also how much is Hindalco and how much is imported? Next question is if you can broadly give a percentage wise breakup of sales, say auto or consumer durable or any other industries? And my last question is, though our interest that is very negligible, we pay 33 crore interest cost. So, if you can just slightly elaborate on that, those are my questions. Thank you.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Yes, Milan.
- **Mr. Milan Mehta – Managing Director, Precision Wire India Limited:**
- Your first question regarding the cycle time to execute each order. So, depending on the product, and depending on the specifications and the quantity, and some other factors, the execution cycle time could be from, let's say, seven days to, let's say, six

weeks. So, there are various factors which could determine the execution time. Second question regarding the import of copper post Vedanta difficulty and the availability issue and what ratio of imports we have? Well, if you read our Annual Report, the more than 90% of the raw material, we have still sourced domestically. There is no availability issue right now and we do not anticipate any availability issue. As I've already mentioned next year, we have a new entrant in our primary copper supply chain that is Adani. So, I think the availability will not be an issue. The breakup of various sectors, I would say that our market share in all these sectors is quite stable and we have a diversified market share, we are present in industrial segment, we are there in the power sector segment, we are there in automotive, consumer more durable segments, we are there in retail replacement market. We are also there in the agricultural market. So, we have diversified market segments. Regarding the interest, well, interest primarily we are paying on the working capital with a turnover of 3000 odd crores, our interest, outgo if you see is about 1% of our total turnover, which is even though the interest rates in the last one year have spiked considerably, but interest burden as a ratio of turnover has been quite moderate. I think I've answered all the questions.

- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**

- Yes. Deepika.

- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**

- We move towards our next speaker Smita Shah.

- **Ms. Smita Shah – Shareholder:**

- Hello!

- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**

- Yes, madam you are audible.

- **Ms. Smita Shah – Shareholder:**

- Yes. Respected Chairman Shri. Mahendra Bhai and Vice Chairman, MD Shri. Milan Bhai and Deepak Bhai and all of you a big Namaskar from me, Smita Shah. Sir, as per my request Deepika sent me the hard copy and I would like to thank you. But I had sent my speaker registration long back still my number came very late, no problem. I don't have any question to ask. We are connected with you since a longtime and we have full trust in you as you have always worked well. You have always taken the company ahead. Our good wishes are always with you, may you progress four times every day towards success and may God bless you with good health always. And Mahendra bhai under leadership and the hard work of Milan bhai and Deepak bhai and the dedication that you have towards the company for years and may you and the company progress always. May God always fulfill your dreams, that is my good wishes for you. Even now the dividend that you have given 0.96, I will only pray and

hope that you keep progressing and in the future also will be able to give better dividends. Because your dividend last to last year was 1:10:54 and I hope you will be able to give better dividends, this is my only prayer. I have always supported you fully so even today I support you fully. I have only one request, since four years the distance that has been created now, we are meeting like this. So, my humble request is next year you meet us in physical AGM, because meeting physically and meeting this way is quite different. So, our humble request is that next year we should meet in a physical AGM. Until then you all stay in good health and we will definitely meet next year. In all the resolutions passed today I fully support, Dhanyawad, thank you.

- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**

- Thank you indeed we continue to need your blessings, ma'am. Thank you. Next.

- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**

- Our next speaker is Mr. Bharat Shah.

- **Mr. Bharat Shah – Shareholder:**

- Respected Chairman Mahender Mehta. How are you? Hope all is good.

- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**

- Fine thank you.

- **Mr. Bharat Shah – Shareholder:**

- Respected Chairman Mahendra bhai, Deepak bhai, Milan bhai and other esteemed directors. My name is Bharat Shah. I am your shareholder since the issue. I attending the meeting for the issue as well. I don't remember the year but it might be 27 or 28 or 29 years ago. Since then, I have been attending your AGM. Sir, I don't have any query as you run the company neutrally. You have always taken care of the shareholders and have given good returns and dividend to shareholders. The share price is good and we have got bonus. You have given to all the shareholders and you are running the company very well and taken care of the shareholders. I would like to say thank you. Your CSR activity is also doing well. So, I would like to congratulate for that. Sir, do tell us our five years' future plan and how many total employees do we have. I have some problem, when I contact the Company Secretary but I don't get reply from Company Secretary. So, please ask the Company Secretary to treat the shareholders well. The previous Company secretary used to take good care of shareholders, similarly they should take care of shareholder. You should have kept the meeting face to face as there is no Corona or anything so next year please keep it face to face. I want to meet you very badly. You please call me to meet you just like Deepak bhai. We can meet for five minutes face to face.

- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**

- Thank you, Bharat bhai, thank you so much. I must say that the Company Secretary is very efficient. So far, we have had quite a number of them and this is young, efficient and dynamic. And she is answering all the queries in time. In fact, you will see that her desk is very clear there is zero complain except that if the shareholders are unable to give the documents in time, she's helpless because she has to comply with the law. Thank you. Now, I will only before... anything else, CS? Deepika, anything else?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- No sir, there are no other speakers.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- All are dealt with?
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- There are some questions, I think which have come through the chat. Chat group, if I'm not mistaken, right?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Yes sir.
- **Mr. Mahendra Mehta – Chairman, Precision Wire India Limited:**
- Can you please take off.
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- Yeah, just a moment. I'm just opening the questions. So, there is one question from Mr. Saurabh Jain regarding EV business. Can you talk about the realization and how much higher it is versus IC engine business? Also, can you talk about current revenue and operating margins in the EV business? So, without getting too specific, because it's very early days of EV business, we expect that the realization would be better. I cannot quantify how much better at this stage. Can you talk about current revenue and operating margins? I think we have got encouraging pipeline of EV customer inquiries, and we are at an advanced stage of discussion with several of them. So, we are hopeful of a good growth in the EV business in the future. I've already answered about the margin. So, I won't elaborate on that.
- Mr. Trivedi is asking about sending the Annual Report copy. Deepika, please send the Annual Report copy.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Yes sir.

- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- Physical copy. Mr. Bhagwat is talking about what will be profit you expect in the following years and how many employees are working in our company? Regarding profitability, I think we expect the profitability to improve in the following years. I cannot quantify at this stage what that would be. But we expect as the Chairman has already said the future looks quite promising. How many employees are working in our company? If you look at the Annual Report, if you look at the business responsibilities segment of the report, there are detailed data given regarding the number of employees.
- Mr. Saurabh Jain is asking again about the EV opportunity I think I've answered regarding EV extensively.
- Vasudha Dakwe ji talks about physical meeting. I think this point was raised during the earlier part of the meeting as well. What is your attrition rate, she's asking. So, this data is also available in the Annual Report. I request you to please go through the Annual Report.
- Mr. Yusuf Rangwala is also talking about physical meeting. I think this is a question already raised by other shareholders and has been answered also.
- Mr. Dakwe is talking about what is your next two years CapEx plan. So, I would say that we are working on our CapEx plan right now for the future and as soon as we are ready with a concrete plan, we will make the necessary announcement to the public and to the shareholder.
- Mr. Bipin Jobanputra is asking about conversion of physical to demat shares. Deepika, I request you to please assist him.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- Sure sir.
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- And Gayathri Prakash has asked questions about electric vehicles. I think, I have answered those questions in detail.
- When the additional capacity will start commercial production, Mr. Karthic Babu is asking. So, as mentioned in the Director's Report, which is part of the Annual Report, the additional capacity will come into the pipeline during Q3 and Q4 of the current fiscal year.
- Mr. Trivedi is asking about the annual report, Deepika, please send a copy to Mr. Trivedi.
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**

- Sure sir.
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- I think, I answered all the questions which have been raised. Thank you.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Any other question, Deepika, please?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- No sir, there are no other speakers.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Any other on the website appearing, Milan?
- **Ms. Deepika Pandey – Company Secretary, Precision Wire India Limited:**
- No sir.
- **Mr. Milan Mehta – Managing Director, Precision Wires India Limited:**
- I think all the questions are answered.
- **Mr. Mahendra Mehta – Chairman, Precision Wires India Limited:**
- Okay, I have only one point of clarification to Mr. Digant Haria. Digant Bhai has stated something in his mail pertaining to the expense of 70 crores incurred, which is not expense, but an estimate my friend. It is an ongoing estimate of the project and not the expense incurred. The expense incurred on that particular section of the project till date is hardly about 45 crores and the project is still in the stage of implementation as Mr. Milan Mehta, Managing Director, stated.
- Thank you so much friends. Now, so far as all the questions of this particular AGM have been dealt with there is no other item of agenda. Before closing, I got one appeal to over esteemed shareholders, particularly those who are small shareholders or some of them who have got their own problems and are not able to provide the documents and unfortunately, their dividend payment as well as an appropriate time their shares are being transferred to the government account. It would be quite a sort of procedural data once again required by you to retrieve back from the government agency to your account. So, if you have not upgraded your address, your other whereabouts or whatever the details are wanted or sought out your personal problems as to which they might compelling you to be denying this benefit. We request you to please sort out, therefore, we want you to remain our shareholders and substantial amount of shares, as well as dividend are being transferred every year in accordance with the law. We are helpless much as against our desire. We have to comply with it. I appealed to you to please assist the

Company Secretary and do needful she has been writing to all of them off and on but whatever the small favorable replies are there she's acting all that.

- Another last one, I must not close this meeting before. I thank our bankers who have consistently helped us during the year under review. So also, our management, staff, workers and supply chain partners who have also helped us in maintaining our tempo. We are extremely grateful to the local administration of Dadar and Nagar Haveli who have been very kind to us and we have been functioning under their guidelines and under their shadow and we have been looking forward to their continued cooperation.
- Last but not the least, nothing could have been achieved without the active support of the members of the shareholder community, which is very delighted once again to observe that is growing and we hope that the growth is maintained there.
- The last one, I must also once again repeatedly thank my management. I'm a shadow worker at the moment, our frontline management is Milan Mehta and his big team. The credit therefore belongs to them and not to me. Thank you, gentleman. With this, I hereby, close this particular 34th Annual General Meeting today on fourth of September 2023 at twenty past twelve. Thank you very much gentlemen. Thank you, my friends. Thanks to the co-directors. Thank you.

END OF TRANSCRIPT