

**GANGAN & COMPANY  
COST ACCOUNTANTS**

**5, Shankar Apt, Opp. Kanaya Nagar, Kopri, Thane (E) 400603**

**Tel. Fax No: 25980482, Mobile No:-9867256110.**

**Email: -gangansureshh@yahoo.co.in/gangan\_999@yahoo.com**

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We, **Gangan & Co.** having been appointed as Cost Auditor(s) under section 148 of the Companies Act, 2013 of **M/s. Precision Wires India Ltd.**, having its registered office at Saiman House 2nd Floor 1st Khed Galli, Off. Sayani Road, J.A.Raul Street, Prabhadevi Mumbai Maharashtra India 400025, have audited the Cost Records maintained under section 148 of the said Act, in compliance with the Cost Accounting Standards, in respect of the products manufactured for the year ending 31<sup>st</sup> March, 2024.

**1. Consolidated observations or suggestions of all cost auditors**

The Company has maintained the Cost Records for the products under the provisions of section 148 and records related to scrap generated from production process and realization of the same have been maintained.

**2. Disclosure regarding audit of cost records in conformity with Cost Accounting Standards :-**

In our opinion, the said books and records are in conformity with the Cost Accounting Standards issued by the Institute of Cost Accountants of India; to the extent those are found to be relevant and applicable.

**3. Disclosure relating to availability of information and explanation for purpose of cost audit :-**

We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit.

**4. Disclosure relating to maintenance of cost records as per Rule 5 of the Companies Cost Records and Audit Rules 2014 :-**

In our opinion, proper Cost Records, as per Rule 5 of the Companies (Cost Records and Audit) Amendment Rules, 2014 have been maintained by the company in respect of products under reference.



**5. Disclosure relating to availability of cost records of branches not visited :-**

In our opinion, proper and adequate records for the purpose of the Cost Audit have been received from the branches not visited by us.

**6. Disclosure regarding availability of information as per Companies Act 2013 :-**

In our opinion and to the best of our information, the said books and records give the information in the manner so required by the Companies Act, 2013.

**7. Disclosure relating to adequacy of internal audit of cost records :-**

In our opinion, Company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.

**8. Disclosure relating to true and fair view of cost of production or service cost of sales margin and other information :-**

In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of products, cost of sales, margin and other information relating to products under reference.

**9. Disclosure relating to availability of audited and certified cost statements and schedules for each unit and each product or service**

Detailed unit-wise and product/ activity-wise cost statements and schedules thereto in respect of the product groups/ activities under reference of the Company duly audited and certified by are kept by the company.

**10. Cost auditors observations or suggestions :-**

The company has maintained cost records under section 148 of the Companies Act, 2013 for the products under reference.

- a) **Inventory Valuation** : Inventory Valuation of Raw Material and Consumable Stores are Valued at FIFO method & followed consistently.
- b) **Valuation of Finished Goods & Work in Progress (WIP)** : The company has consistently followed the valuation of Copper content of Finished Good & Work in process at FIFO method.
- c) **Related Party Transaction**: The Company does not have any related party transaction in Respect of sales & purchase of goods.



d) **Strengthen the Company under the Competitive Environment:**

To strengthen the Company, there is need to strengthen the Costing Department of the Company so that relevant data and Information can be generated and analyzed systematically.

e) **Borrowing Cost:** Company has paid Rs. 3713.26 Lakhs as interest against the borrowing fund out which Rs. 3531.11 Lakhs as operation cost & balance of Rs. 182.15 Lakhs towards long term borrowing fund & others.

f) **Export Commitments:** The Company has fulfilled its export Commitments as per the provision of the Act.

g) **Figures are rounded off to the nearest rupees.** Previous year figures have been regrouped and rearranged wherever necessary.



For Gangan & Co.  
Cost Accountants

  
Suresh Hari Gang an  
Membership No. 13311

UDIN: 2413311ZZO6DAG7WIY

Dated: 10/08/2024

Place: Thane

**1. Cost Accounting Policy:**

The Company maintains Cost Accounting Records on accrual basis & manufactures Engineering Machinery (including Electrical & Electronic Equipment's) related products.

**2. Disclosure regarding identification of cost centers, cost objects and cost drivers :**

Cost Centers identified are Wire Drawing, Insulation, Enameling, Strip, Transposing and Packing.

**3. Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components :**

Stores and spares are available for each unit/plant and taken at cost plus expenses and issued to production on the FIFO basis. Wages are allocated to respective products, cost-centers. Salary of Factory staff, Administrative and Sales staff has been allocated to Factory Overheads, Administration Overheads, Sales Overheads, etc.

**4. Disclosure regarding accounting, allocation and absorption of overheads**

All Costs of Cost-centers, overheads have been accounted, allocated and absorbed, wherever possible on the actual basis and generally acceptable principles.

**5. Disclosure regarding accounting for depreciation or amortization:**

Depreciation has been accounted and allocated on the basis of value of plant and machinery installed and respective unit. Depreciation has been charged on Straight Line Method at the rates not less than those specified from time to time in Schedule II to the Companies Act 2013, which management considers as being representative of the useful economic life of such assets.

**6. Disclosure regarding accounting for by products, joint products and scraps or wastage:**

Realization of the scrap generated from the manufacturing process credited to cost of material consumption.



**7. Disclosure regarding basis of inventory valuation**

Inventory Valuation of Raw Material and Consumable Stores are valued at FIFO method & Followed Consistently.

**8. Disclosure regarding valuation of inter company and related party transaction:**

The Company does not have related party transaction in respect of sales & purchase.

**9. Disclosure regarding treatment of abnormal and non-recurring costs including classification of non-cost items:**

All abnormal and non-recurring costs have been identified and treated as non-cost items and not been taken into account while working the Statement of Cost of Production.

**10. Disclosure regarding other relevant cost accounting policy:**

IND AS (i.e. Indian Accounting Standard) is applicable to the Company during the reporting period and Cost Records have been maintained accordingly.

**11. Disclosure regarding changes in cost accounting policy during reporting period:**

The company has not changed the Accounting policy during the reporting period.

**12. Disclosure regarding adequacy of budgetary control system:**

In our opinion and according to the information and explanation given to us, the company has Budgetary Control System commensurate to the size of the business.

