



## PRECISION WIRES INDIA LIMITED

REGD. OFFICE: SAIMAN HOUSE, J. A. RAUL STREET,  
OFF SAYANI ROAD, PRABHADEVI, MUMBAI - 400 025, INDIA.  
TEL: +91-22-24376281 FAX: +91-22-24370687  
E-MAIL: mumbai@pwil.net  
WEB: www.precisionwires.com  
CIN: L31300MH1989PLC054356 PAN: AAACP7555L  
WORKS: PLOT NO. 125/2, AMLI HANUMAN (66 KVA) ROAD,  
SILVASSA - 396 230, U.T OF D.N.H., INDIA.  
TEL: +91-260-2642614 FAX: +91-260-264235

|   |  |                              |
|---|--|------------------------------|
| 1 | <b>Bombay Stock Exchange Limited (BSE)</b><br>Corporate Relationship Dept.,<br>1st Floor, Rotunda Building,<br>P.J. Towers, Dalal Street, Fort,<br>Mumbai-400 001                | <b>Company Code : 523539</b> |
| 2 | <b>National Stock Exchange of India Ltd.(NSE)</b><br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Plot No. C/1, G Block,<br>Bandra - Kurla Complex, Bandra (E)<br>Mumbai - 400 051. | <b>Symbol : PRECWIRE</b>     |

29-09-2016

Dear Sirs,

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 attached please find herewith Annual Report for FY 2015-16 of Precision Wires India Limited (L31300MH1989PLC054356) for your information and records.

Thanking you,

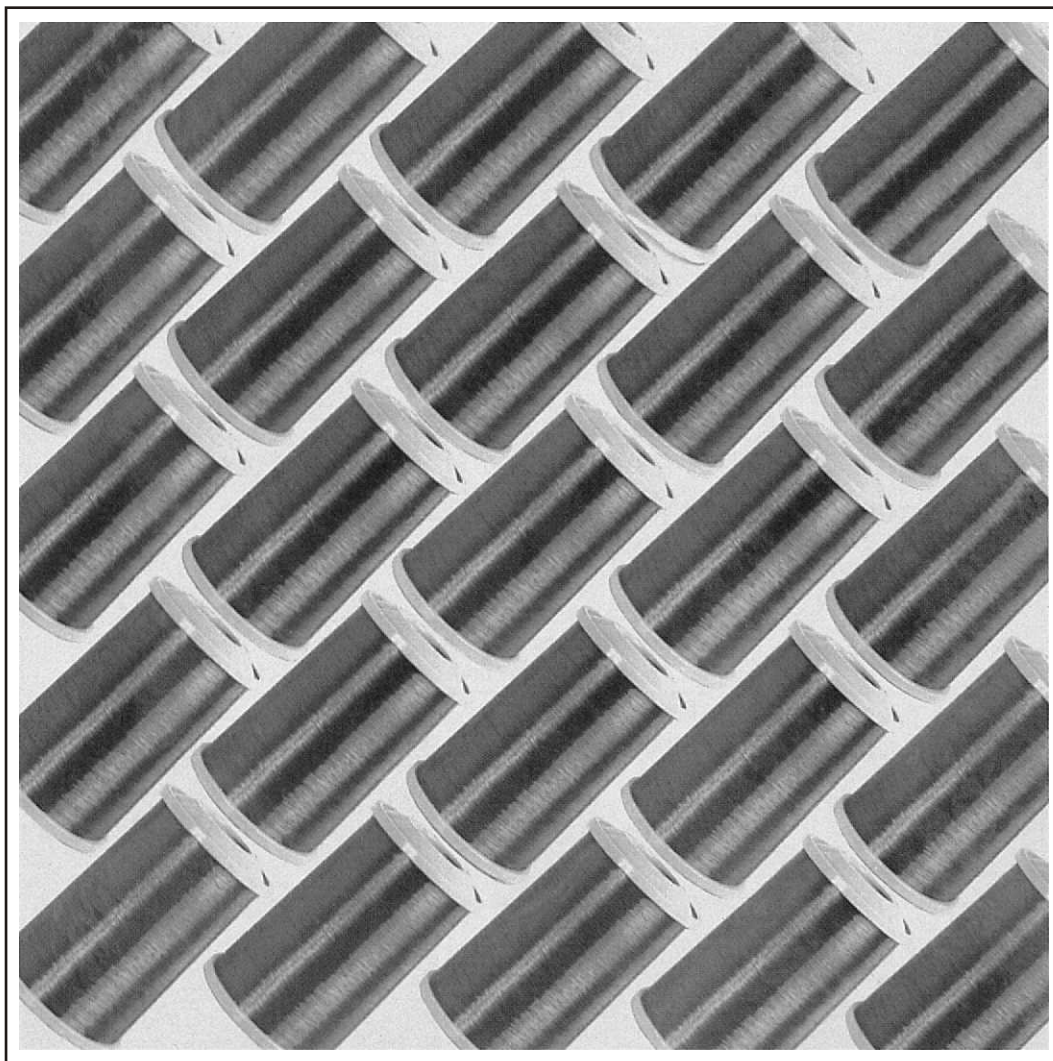
Yours faithfully,  
For PRECISION WIRES INDIA LIMITED

  
(Nishthi H Dharmani)  
Company Secretary

Encl: Annual Report- FY 15-16.

27th

# Annual Report 2015-2016



PRECISION WIRES INDIA LIMITED

**Financial Highlights**

Rupees in Lacs

|   | 2015/16   | 2014/15   | 2013/14   | 2012/13   | 2011/12   |
|---|-----------|-----------|-----------|-----------|-----------|
| Equity Share Capital (Paid up)                          | 1,156.36  | 1,156.36  | 1,156.36  | 1,156.36  | 1,156.36  |
| Reserves & Surplus                                      | 18,315.41 | 17,528.49 | 19,154.31 | 19,063.43 | 17,992.69 |
| Provision for Deferred Tax Liability (net)              | 414.32    | 561.37    | 1,795.91  | 1,691.83  | 1,672.98  |
| Current Assets  | 26,201.32 | 26,734.23 | 30,527.62 | 39,241.27 | 30,122.38 |
| Current Liabilities                                     | 15,615.39 | 16,374.85 | 21,127.55 | 30,355.87 | 23,885.44 |
| Inventories   | 9,744.50  | 9,526.49  | 7,542.25  | 9,813.43  | 7,610.71  |
| Sundry Debtors  | 13,500.64 | 13,750.10 | 18,599.89 | 19,260.05 | 16,834.52 |
| Creditors   | 10,706.40 | 10,755.77 | 14,166.09 | 17,732.12 | 15,317.87 |
| Secured Loans   | 2,779.50  | 3,462.52  | 4,769.04  | 5,373.65  | 5,226.70  |
| Financial Charges                                       | 1,112.10  | 1,421.89  | 286.78    | 506.85    | 595.32    |
| Depreciation  | 1,577.38  | 1,959.03  | 1,181.01  | 1,257.41  | 1,293.52  |
| Income Tax (incl. Deferred Tax)                         | 956.70    | 667.67    | 862.07    | 792.41    | 549.78    |
| Dividend paid Per Equity Share      Rs.                 | @ 5.25    | 5.50      | 10.00     | 4.00      | 3.00      |
| Book Value of Shares                      Rs.           | * 84.18   | 161.57    | 175.64    | 174.85    | 165.59    |
| E.P.S.    Rs. | * 7.33    | 8.74      | 12.49     | 13.80     | 12.23     |
| No. of Shareholders                                     | 9,286     | 8,696     | 8,506     | 8,537     | 8,988     |

@ Proposed

\* During FY 2015/16, (w.e.f. 23<sup>rd</sup> March, 2016, each Equity share of Rs. 10/- each was split into Two Shares of Rs. 5/- each fully paid up. Above E.P.S. and Book Value of Shares for FY 2015-16 arrived at Post-Split.

# PRECISION WIRES INDIA LIMITED



## BOARD OF DIRECTORS:

|                        |   |  |
|------------------------|---|--|
| Shri Mahendra R. Mehta | – | Chairman and Managing Director & CEO (DIN: 00003558) |
| Shri Milan M. Mehta    | – | Vice Chairman and Managing Director (DIN: 00003624)  |
| Shri Deepak M. Mehta   | – | Whole time Director (DIN: 00003646)                  |

## Independent & Non-Executive Directors:

|                                       |
|---------------------------------------|
| Shri P. N. Vencatesan (DIN: 00086652) |
| Shri Vijay M. Crishna (DIN: 00066267) |
| Shri A. P. Kothari (DIN: 00033730)    |
| Shri P. R. Merchant (DIN: 00022223)   |
| Shri Pradip Roy (DIN: 00026457)       |
| Smt Swati Maheshwari (DIN: 07091067)  |

|  |   |  |
|--|---|--|
| <b>COMPANY SECRETARY</b>                 | : | Smt Nishthi Hareesh Dharmani   |
| <b>CFO and GM Finance &amp; Accounts</b> | : | CA C. Mohandas Pai   |
| <b>BANKERS</b>                           | : | Bank of Baroda, Palej 392 220, Dist. Bharuch, Gujarat  |
| <b>AUDITORS</b>                          | : | S R Divatia & Co., Chartered Accountants, Mumbai   |
| <b>REGISTERED OFFICE</b>                 | : | Saiman House, J A Raul Street, Off Sayani Road,<br>Prabhadevi, Mumbai 400 025.<br>Telephone : 91-22-24376281<br>Email : mumbai@pwil.net<br>Website : www.precisionwires.com<br>CIN : L31300MH1989PLC054356 |

## **WORKS :**

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

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

PALGHAR UNIT :  
Plot No. 44, Phase I,  
Genesis Industrial Complex,  
Kolgaon, Palghar,  
Dist. Palghar - 401 404. (M.H.)

## **REGISTRAR AND TRANSFER AGENTS (RTA):**

### **New RTA (w.e.f. 1<sup>st</sup> June, 2016)**

Link Intime India Pvt Ltd  
C/13, Pannalal Silk Mills Compound, L B S Marg,  
Bhandup West, Mumbai 400 078.  
Tel : 022-2594 6970 Fax: 022-2594 6969  
Email : rnt.helpdesk@linkintime.co.in

### **Old RTA (upto 31<sup>st</sup> May, 2016)**

Sharepro Services (India) Private Limited  
Samhita Warehousing Complex,  
Warehouse No. 52 & 53, Plot No. 13AB,  
2<sup>nd</sup> Floor, Sakinaka, Mumbai 400 072.  
Tel No. 022-67720400 Fax No. 022-67720416

## **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 THE MEMBER

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of Precision Wires India Limited (CIN: L31300MH1989PLC054356) will be held on Wednesday, 28<sup>th</sup> September, 2016 at 2.30 PM, at the Hall of The Mysore Association, 1<sup>st</sup> Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai - 400 019 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 including Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm and approve Two Interim Dividends paid and declare and approve Final Dividend payable for the Financial year ending 31<sup>st</sup> March, 2016.
3. To Appoint a Director in place of Shri Deepak M Mehta (DIN: 00003646), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

**4. Appointment of Statutory Auditors:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s S R Divatia & Company, Chartered Accountants, Mumbai having ICAI Firm Registration No. 102646W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**SPECIAL BUSINESS:****5. Ratification of Remuneration to Cost Auditor:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Gangan and Company, the Cost Auditors having Registration No. 100651, are appointed by the Board of Directors of the Company, as Cost Auditor of the Company to conduct the audit of the cost accounting records for Products produced by the Company's Plants at Plot Survey No. 125/2, Amli Hanuman (66KVA) Road, Silvassa 396 230 (U.T. of D & N.H.) and at Plot No. 3, G.I.D.C. N.H. No. 8, Palej 392 220,

Dist. Bharuch (Gujarat), for the financial year 2016-17 ending 31-03-2017, at a remuneration of Rs.3,00,000/- (Rupees Three Lacs) plus applicable Service Tax and out of pocket expenses, if any. The remuneration be and is hereby ratified and confirmed."

**6. Re-appointment of Shri Deepak M Mehta (holding DIN:00003646) as a Whole-Time Director:**

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

**RESOLVED THAT** pursuant to and in accordance with the provisions of Sections 2 (78) 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force thereto) and subject to such sanctions and approvals as may be necessary in law, approval of the Company be and is hereby accorded to the re-appointment of Shri Deepak M. Mehta (holding DIN:00003646) as a Whole-Time-Director, designated as Executive Director of the Company, for a period of Three years with effect from 1<sup>st</sup> August, 2016 to 31<sup>st</sup> July, 2019, on remuneration and the terms and conditions as set out in the Letter of Appointment dated 26<sup>th</sup> May, 2016, a copy whereof initialed by the Chairman for the purpose of identification is placed before this meeting, is hereby approved and sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Nomination and 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 by and between the Board of Directors and Shri Deepak M. Mehta in accordance with and subject to the limits and conditions prescribed in Schedule V to the Companies Act, 2013, or any statutory amendments and modifications thereto, and if necessary as may be stipulated by the Central Government.

**RESOLVED FURTHER THAT** subject to the provisions of Sections 2 (78) 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, 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 profits of the Company computed under Section 197 of the Companies Act, 2013 and if the Company has more than one managerial personnel, or ten percent of such net profits for all 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 Part II of the Schedule V to the Companies Act, 2013, as amended from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Executive Directors of the Company and Company Secretary be and are 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.

## NOTICE TO THE MEMBER

### 7. Change of Place of Keeping and Inspection of Register and Index of Members, Returns, etc.

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolutions:

"RESOLVED THAT in supersession of the Resolution No.6 passed at the Eleventh Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2000 and in compliance with the provisions of Section 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and corresponding sections of the erstwhile Companies Act, 1956), the Company hereby approves that the Register of Members and the Index of Members maintained under Section 88 of the Act and copies of the Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, be kept at the office of the New Registrar and Transfer Agent of the Company viz. Link Intime India Pvt Ltd, C/13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078 Tel : 022-2594 6970, Fax: 022-2594 6969, Email [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or at such other office or place within Mumbai, and / or wherever the above Registrar and Transfer Agent may shift from time to time in India.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, Books, Certificates and documents of the Company required to be maintained and kept open for inspection under the provisions of the said Act, be kept

open for such inspection at the above mentioned place for persons entitled thereto, to the extent and in the manner and on payment of fees, if any, specified in the aforesaid Act, between 11.00 a.m. and 1.00 p.m. on any working day except Saturday, Sunday and Holidays or when the Registers and Books are kept closed under the provisions of the said Act or the Articles of Association of the Company provided however, that the Register required to be maintained under Section 170 of the Companies Act 2013, shall be open for inspection to the members and the holders of debentures of the Company at the Registered Office of the Company between the hours and days above mentioned.

Resolved further that Shri Mahendra R. Mehta, Chairman and Managing Director / Shri Milan M Mehta, Vice Chairman and Managing Director of the Company and Ms. Nishthi H Dharmani, Company Secretary be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all acts, deeds and things as may be necessary to give effect to this resolution

**By Order of the Board**

**Nishthi H Dharmani**  
Company Secretary

#### Registered Office:

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

Mumbai

26<sup>th</sup> May, 2016.

### IMPORTANT NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 17<sup>th</sup> September, 2016 to Wednesday, 28<sup>th</sup> September, 2016 (both days inclusive) for annual closing and determining the eligibility of the shareholders to the final dividend for FY 2015-16.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of item no. 5 to 7 of the notice set out above is annexed herewith. Which sets out details relating to Special Business at the meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.  
  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the 27<sup>th</sup> Annual General Meeting. A proxy form is sent herewith, Proxies submitted on behalf of the companies, societies etc., must be supported by appropriate resolution/authority, as applicable.
4. Final Dividend of Rs.1.25 (25%) per equity share of Rs.5/- each, has been recommended by the Board of Directors for the Financial year ended 31<sup>st</sup> March, 2016 and subject to the approval of the shareholders at the Annual General Meeting will be paid to those share holders whose names appear as Member in the Register of Members as on 28<sup>th</sup> September, 2016. First interim dividend at the rate of Rs.2.50 per equity share of Rs.10/- each and Second interim dividend at the rate of Rs.1.50 per Equity Share of Rs.10/- each, for the year 2015-16, per equity share, were paid on time.
5.
  - a) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. **The Company or its Registrar can not act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.**
  - b) Members holding shares in physical form and desirous to change their addresses, if any, or registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend and also their email id for the purpose of receiving the

## NOTICE TO THE MEMBER

communication electronically, are requested to write M/s. Sharepro Services (India) Private Ltd., Samhita Warehousing Complex, Warehouse No. 52 & 53, Plot No. 13AB, 2<sup>nd</sup> Floor, Sakinaka, Mumbai - 400 072, the Registrar and Share Transfer Agents of the Company (upto 31<sup>st</sup> May, 2016) and thereafter to M/s Link Intime India Pvt. Ltd. at their address Link Intime India Pvt Ltd, C/13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai - 400 078 Tel : 022-2594 6970, Fax: 022-2594 6969, Email : rnt.helpdesk@linkintime.co.in.

- c) **Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013** it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.

6. Pursuant to provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) the Company has transferred on due dates, the unpaid / unclaimed dividend amount for the Financial Year ended up to 31.03.2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 28<sup>th</sup> August, 2015 (date of the last Annual General Meeting) on the Web site of the Company ([www.precisionwires.com](http://www.precisionwires.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Dividend for financial year ended 31.03.2009 declared on 19.09.2009 is due for such transfer to IEPF on or about 18.09.2016. Members who have not yet encashed their dividend warrants for financial year ended 31.03.2009 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company / Registrars and Transfer Agents.

7. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2016 is being sent to all the members whose email address (es) are registered with the Company / Depository Participant(s) unless any

member has requested for a hard copy of the same. Members, who have not yet registered their email address with the Company / RTA / Depository Participant, are requested to do the same. Members can also submit their request for registration of their e-mail ID along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

Members other than above, physical copies of the Annual Report are being sent in the permitted mode.

The Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.precisionwires.com](http://www.precisionwires.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday.

8. **The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest.**
9. a) The Members of the Company approved at the Annual General Meeting dated 28<sup>th</sup> August, 2015, the sub-division of each fully paid-up Equity Share of Rs.10/- each into Two equity share of Rs.5/- each which was effective from 23<sup>rd</sup> March, 2016. The Number of Equity Shares (excluding 1600 Forfeited Shares of Rs.10/- each for which sub-division not done) of the Company therefore stands revised from 1,15,63,623 Equity Shares of Rs.10/- each to 2,31,27,246 Equity Shares of Rs.5/- each.
- b) The Company / RTA (old RTA, M/s Sharepro Services India Pvt. Ltd.) had sent by speed post on or about 29<sup>th</sup> March, 2016, the New Share Certificates of Rs.5/- each in the physical form to such Members and as the Members have not got their addresses updated and registered accordingly with the Company, many such envelopes containing above scripts have been returned undelivered by the Postal Department and the same are now lying with New RTA of the Company. To acquaint about this to the Shareholders, the Company issued General Notice in Three News papers, One in English News Paper "Indian Express" Second in Marathi News Paper "Mumbai Samachar" and Third in Gujarati language in "Gujarati Samachar", all Mumbai editions on or about 1<sup>st</sup> June, 2016. And the same was also submitted with BSE/NSE, requesting the Members to get their current, present and latest address register with New RTA so that above scripts can be posted once again.

However, for the Members holding the script in the Demat form, appropriate actions have been taken regarding the New Script of Rs.5/- each with Depositories i.e. NDSL/CDSL through our old Registrar and Share Transfer Agent.

## NOTICE TO THE MEMBER

Trading of these above mentioned Shares of Rs.5/- each has commenced at NSE/BSE smoothly in time.

SEBI vide its circular dtd 22<sup>nd</sup> March, 2016 directed Companies who are clients of M/s Sharepro Services India Pvt. Ltd. (old R T A) having registered office at 13 AB, 2<sup>nd</sup> Floor, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072, to conduct a thorough Audit of Records and Systems of Sharepro with respect to the Dividend paid and transfer of Securities to determine whether the dividends have been correctly paid to the beneficial holders and whether the Securities have been transferred as per the Law.

Pursuant to this, we appointed on 23<sup>rd</sup> March, 2016, M/s Ragini Chokshi & Company, Independent Practicing Senior Company Secretary, to carry out specified such Audit of Records and Systems of Sharepro (old RTA) at an agreed fees of Rs. 2 Lacs plus Service Tax plus out of pocket expenses reimbursement.

The Company has received the report from M/s Ragini Chokshi & Co. and submitted the same in time to SEBI and the Directors of the Company. And your Company has not so far received any comments / query in this regard.

Since SEBI has banned M/s Sharepro Services India Pvt. Ltd., we propose to terminate their Services as our R&TA w.e.f. 31<sup>st</sup> May, 2016 onwards and appoint M/s Link Intime India Pvt. Ltd., an Australian Company having establishment in Mumbai as our new R&TA w.e.f. 1<sup>st</sup> June, 2016. The same is subject to the necessary approvals/consents.

The Company has published the General Notice for informing the Shareholders about the change in R&TA in two Newspapers on 28<sup>th</sup> May, 2016, one in English News Paper "Indian Express" and one in Vernacular language in Navshakti" and information about the same was submitted with both BSE/NSE.

### 10. Voting through electronic means:

- I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, members can exercise their right to vote at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting facility made available by the Company through Central Depository Services Limited (CDSL):

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- A) The voting period begins on Sunday, 25<sup>th</sup> September, 2016, (10.00 a.m.), and ends on Tuesday, 27<sup>th</sup> September, 2016, (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 16<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| <b>PAN*</b>  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul> |
| <b>DOB</b>   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| <b>Dividend Bank Details</b>                               | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li></ul>  |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

---

**NOTICE TO THE MEMBER**


---

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution..
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (B) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (C) The e-voting period commences on on Sunday, 25<sup>th</sup> September, 2016, (10.00 a.m.), and ends on Tuesday, 27<sup>th</sup> September, 2016, (5.00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 16<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the said date and time.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**IMPORTANT NOTES : (ONLY FOR AGM)**

1. The cut-off date considered for despatch of Notice of AGM for physical as well as demat shareholding is Friday, 19<sup>th</sup> August, 2016.
2. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper / Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility / ballot form. The Facility for Voting at meeting venue shall be decided by the company i.e. "remote e-voting" or "Ballot Paper / Polling Paper".
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The "remote e- voting" end time shall be 5:00 p.m. on the date preceding the date of general meeting.
5. Mrs. Ragini Chokshi & Company, Company Secretaries Firm, (Membership No. 2390) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-Voting process in a fair and transparent manner.

## NOTICE TO THE MEMBER

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act").

#### Agenda Item No. 5:

The Audit Committee and the Board of Directors of the Company have approved, subject to the approval of the Members at the ensuing AGM, the appointment of Statutory Cost Auditor M/s Gangan & Company, Mumbai as Cost Auditor for the FY 2016-17 at a remuneration of Rs.3 lacs plus out of pocket expenses, if any.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Shareholders.

#### Agenda Item No. 6:

##### Re-appointment of Shri Deepak M. Mehta, Whole Time Director:

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, read with provisions of schedule V of the Companies Act, 2013 without requiring the approval of the Central Government, 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 31<sup>st</sup> July, 2016. The Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2016, have, subject to the approval of the Members of the Company in ensuing AGM, and subject to any other approvals as may be necessary, re-appointed Shri Deepak M. Mehta, as Whole Time Director of the Company, for a further period of Three Years with effect from 1<sup>st</sup> August, 2016 to 31<sup>st</sup> July, 2019, at the terms, conditions, remuneration and perquisites as set out in draft letter of appointment dated 26<sup>th</sup> May, 2016 signed by the Chairman of Nomination and Remuneration Committee is available with the Company Secretary at this Meeting for inspection.

Shri Deepak M. Mehta is a Promoter Director of Precision wires India Limited, Mumbai since its inception in 1989, has extensive knowledge and experience in sourcing of Copper primary input of the Company and tying-up fiscal products there against. He has operational experience in this Industry and Copper Trade since more than 25 years. He was Executive Director of the erstwhile Atlas Wires Ltd. which merged with this Company in 2001 and thereafter he continues as Whole Time Director of the Company.

He also looks after the logistics and inventory control of the input and also some of the branches/depots of the Company.

He has contributed immensely to the performance of the Company since inception and played pivotal role in the operation and growth of the Company.

The Principal Terms and Conditions as contained in the said draft Letter of Appointment dated 26<sup>th</sup> May, 2016 are reproduced as under:

**Period of appointment:** 3 Years with effect from 1<sup>st</sup> August, 2016 up to and including 31<sup>st</sup> July, 2019.

#### A) Salary, Perquisites and Other Allowances:

Subject to Sections 2(78), 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the said Act) read with Schedule V to the said Act and as per any other applicable statutes / provisions under Law, and subject to a ceiling of 5% or 10% of the net profits of the Company, as the case may be, as computed under

Section 198 of the Act, the following remuneration shall be paid to Shri Deepak M. Mehta.

#### Salary:

Rs.3,90,000/- (Rupees Three Lacs Ninety Thousand only) per month from 1<sup>st</sup> August, 2016 to 31<sup>st</sup> July, 2017 with increase to,

Rs.4,10,000/- (Rupees Four Lacs Ten Thousand only) per month from 1<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2018 with increase to,

Rs.4,30,000/- (Rupees Four Lacs Thirty Thousand only) per month from 1<sup>st</sup> August, 2018 To 31<sup>st</sup> July, 2019.

#### 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 198 of the Companies Act, 2013, subject to provisions of Section 197 and other applicable provisions, if any of the Companies Act, 2013, the following perquisites shall be allowed to Shri Deepak M. Mehta.

#### Perquisites:

1. Rent free furnished residential accommodation, in case no residential accommodation is provided by the company to the Whole Time Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. Reimbursement of medical expenses incurred for Shri Deepak M Mehta and his 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. Entrance fees of clubs subject to a maximum of two clubs.
6. Personal accident insurance subject to a maximum premium of Rs.10,000/- per annum and third party insurance for a maximum amount of Rs.50,00,000/-.
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.

## NOTICE TO THE MEMBER

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

Explanation : 'Family' means the spouse, the 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 V to the Companies Act, 2013 or any amendment thereof.

**B) 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 the 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.

This appointment is also subject to the Further particulars as per Part II, Section II of the Schedule V to the Companies Act, 2013:

- (i) The Board of Directors and also Nomination and Remuneration (N&RC) of the Board have approved the terms of remuneration payable to Shri Deepak M. Mehta, as mentioned hereinabove at its meeting held on 26<sup>th</sup> May, 2016, which are in accordance with the provisions of Schedule V to the Companies Act, 2013.
- (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<sup>st</sup> August, 2016 is being proposed to be made by a Special Resolution of the Company at its ensuing Annual General Meeting to be held on Wednesday, 28<sup>th</sup> September, 2016 for payment of remuneration for a period not exceeding three years.

Copy of the Draft Re-appointment Letter dated 26<sup>th</sup> May, 2016 referred to the Resolution would be available for inspection with out any fee by the members at the registered office of the Company between 11.00 a.m. & 1.00 p.m. on any working day of the Company except Saturday, upto and including the date of the Annual General Meeting.

Shri Deepak M. Mehta is a promoter of the Company holding fully paid Equity Shares of Rs. 5/- each, amounting to 4.90% of the paid up capital of the Company. He is related to Shri Mahendra R. Mehta, Chairman & Managing Director, Shri Milan M Mehta, Vice Chairman and Director.

- (iv) Other particulars as per Section II of Part II of Schedule V to the Companies Act, 2013 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: 13.12.1989.
- [3] In case of new companies, expected date of commencement of activities - not applicable.
- [4] Financial Performance based on given indicators : (rounded of to nearest rupees in lacs)

**2015-16    2014-15**

Effective Capital: **19295**    18685

Net Profit after Tax **1703**    1010

- [5] Export Performance & foreign exchange outgo:
- Exports (FOB) **9093**    9591
- Foreign Exchange Outgo [net] **17371**    14916

- [6] Foreign Investments & Collaborations if any: None

**(iv) II : INFORMATION ABOUT THE APPOINTEE: Shri Deepak M. Mehta**

- [1] Background Details: Shri Deepak M. Mehta is a Commerce Graduate and he was Whole-time Director of erstwhile 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 successful implementation of Expansion Project undertaken and growth of the Company.

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

**2015-16    2014-15**  
**(Rs/Lacs)    (Rs/Lacs)**

Salary **40.73**    35.40

Perquisites **8.97**    11.08

Commission **22.28**    0.00

Contribution to Provident Fund & Provision for Gratuity **00.22**    3.91

**Total    72.20    50.39**  
**=====**

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

- [4] Job Profile and his suitability: Having regard to the vast experience and past performance, 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 1-08-2016 to 31-07-2019.

- [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.

## NOTICE TO THE MEMBER

- [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 fully paid Equity Shares of Rs.5/- each, amounting to 4.90% of the paid up capital of the Company. He is related to Shri Mahendra R. Mehta, Chairman & Managing Director and Shri Milan M. Mehta, Vice Chairman & Managing Director of the Company.

(iv) III : OTHER INFORMATION:

- [1] Reasons for Loss or Inadequacy of Profits: Not applicable as Company is a profit making company.
- [2] Steps taken or proposed to be taken for improvement: Not applicable as the Company is a profit making company. 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. 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 financial year 2015-16, 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/MGT-9" attached to the annual report for the year 2015-16:
  - [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.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Deepak M Mehta under section 190 of the Companies Act, 2013 and a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except mentioned above, none of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

The Board commends the Special Resolution set out at item No. 6 of the Notice for approval by the Shareholders

**Agenda Item No. 7:**

**Change of Place of Keeping and Inspection of Register and Index of Members, Returns, etc.**

The Company had appointed Sharepro Services (India) Private Limited (hereinafter referred to as 'Sharepro Services') as its

Registrar and Transfer Agent (hereinafter referred to as R&TA) with effect from 1<sup>st</sup> July, 2000. The operations of Sharepro Services are currently being investigated by statutory authorities over alleged misappropriation of dividends and securities of its client companies. Securities and Exchange Board of India (SEBI) has passed an Interim Order dated 22<sup>nd</sup> March, 2016, wherein it has asked the companies to shift their Registrar and Transfer activities from Sharepro Services.

In accordance with the directions of SEBI and in order to protect the interest of the shareholders, the Board of Directors of the Company was of the opinion that the Company should appoint an entity as its R&TA which could be reliable and has the capability in handling operations commensurate to the Company's size.

Accordingly, the Board of Directors of the Company at its meeting held on 26<sup>th</sup> May, 2016, has approved the appointment of Link Intime India Pvt Ltd, C/13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078 Tel: 022-2594 6970, Fax: 022-2594 6969, Email [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in), as the R&TA of the Company with effect from 1<sup>st</sup> June, 2016.

In accordance with Section 94 and other applicable provisions of the Companies Act, 2013 (Act) read with Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed by the shareholders at the General Meeting authorizing the Company to keep the Register and Index of Members and the copies of Annual Returns at any other place in India where more than one-tenth of the total number of members reside.

The Company proposes to shift its Register and Index of Members and copies of Annual Returns to the office of Link Intime India Pvt Ltd, C/13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078 Tel : 022-2594 6970, Fax: 022-2594 6969, Email [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

The Board of Directors of the Company recommends the Special Resolution as set out at item no. 7 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the proposed Special resolution.

None of the Promoters, Directors and Key Managerial Personnel of the Company have any shareholding interest in Link Intime India Pvt Ltd.

**DOCUMENTS OPEN FOR INSPECTION:**

The documents in relation to Item Nos. 5 & 6 of the accompanying Notice are open for inspection by the Members at the Registered Office of the Company between 11.00 AM and 1.00 PM on any working day of the Company, except Saturday.

**By Order of the Board**

**Nishthi H Dharmani**  
**Company Secretary**

**Registered Office:**

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

Mumbai

26<sup>th</sup> May, 2016

## DIRECTORS' REPORT

## TO THE MEMBERS

The Directors hereby present the Twenty Seventh Annual Report of your Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2016. .

## 1. Financial Results

|   | (Rupees in Lacs) |          |                |                |
|---|------------------|----------|----------------|----------------|
|   | Consolidated     |          | Standalone     |                |
|   | 2015-16          | 2014-15  | 2015-16        | 2014-15        |
| Sales (including Excise Duty)   | 97309.65         | —        | 97309.65       | 101738.04      |
| Less : Excise Duty  | (12961.04)       | —        | (12961.04)     | (13660.59)     |
| Sales (Net of Excise Duty)  | 84348.61         | —        | 84348.61       | 88077.45       |
| Operating Profit  | 5188.07          | —        | 5188.07        | 4734.31        |
| Add: Other Income   | 161.09           | —        | 161.09         | 324.67         |
| Profit before Financial Charges, Depreciation & Taxes                     | 5349.16          | —        | 5349.16        | 5058.98        |
| Financial Charges   | (1112.10)        | —        | (1112.10)      | (1421.89)      |
| Depreciation  | (1577.38)        | —        | (1577.38)      | (1959.03)      |
| Profit before Taxes & Extra-ordinary Items                                | 2659.68          | —        | 2659.68        | 1678.06        |
| Extra-ordinary Items  | —                | —        | —              | —              |
| Profit before Taxes   | 2659.68          | —        | 2659.68        | 1678.06        |
| Less :  |                  |          |                |                |
| Provision for Tax   | (956.71)         | —        | (956.71)       | (667.67)       |
| Profit after Tax  | 1702.97          | —        | 1702.97        | 1010.39        |
| Share in Profit/(loss) of Associates                                      | (8.68)           | —        | —              | —              |
| Profit for the year   | 1694.29          | —        | 1702.97        | 1010.39        |
| Add: Balance brought forward from last Account                            | 213.64           | —        | 213.64         | 216.38         |
| <b>Balance available : (A)</b>  | <b>1907.93</b>   | <b>—</b> | <b>1916.61</b> | <b>1226.77</b> |
| Which the Board of Directors have appropriated as under:                  |                  |          |                |                |
| (i) Transfer to General Reserve   | 750.00           | —        | 750.00         | 250.00         |
| (ii) *Dividend  | 751.63           | —        | 751.63         | 636.00         |
| a) 1st Interim Dividend @ 25% } Paid on face value                        |                  |          |                |                |
| b) 2nd Interim Dividend @ 15% } of Rs.10/- per share                      |                  |          |                |                |
| c) Final Dividend recommended @ 25% } on face value of Rs. 5/- per share. |                  |          |                |                |
| * Subject to the approval of the Members at the ensuing AGM.              |                  |          |                |                |
| (iii) Corporate Tax on Dividend   | 153.02           | —        | 153.02         | 127.13         |
| <b>(B)</b>  | <b>1654.65</b>   | <b>—</b> | <b>1654.65</b> | <b>1013.13</b> |
| <b>Balance carried forwarded in Profit &amp; Loss A/c (A-B)</b>           | <b>253.28</b>    | <b>—</b> | <b>261.96</b>  | <b>213.64</b>  |

## 2. Dividend

Board of Directors were pleased to recommend the following interim dividends during the financial year under review:

| Sr. No. | Dividend Recommended and Paid (Per Equity Share of Rs. 10/- each) | Date of Board Meeting |
|---------|---|-----------------------|
| 1.      | Rs. 2.50  | 04.11.2015            |
| 2.      | Rs. 1.50  | 09.02.2016            |

The Directors are further pleased to recommend final dividend at Rs.1.25 (25%), on face value of Rs.5/- each per Equity Share, subject to the approval of the Members at the ensuing General Meeting for the year 2015-16.

## 3. Operations

Our Production during the year was marginally higher than last year level despite competition and sluggish Market conditions.

The overall economic industrial climate continued to remain challenging. Electrical Equipments manufacturing sector and Capital Goods Sector continued to feel the effects of low demand. Increase in imports of electrical equipments from China affects the domestic industry. Cost pressures due to high inflation and interest rate continued to affect the industry.

The Government is trying to take effective steps to improve the overall fiscal, economic and industrial climate in the country. There is an improvement in the economic and industrial sentiment. It may however take more time for the reforms to reach the grass root level and activate industrial demand. There are some encouraging signs of the beginnings of green shoots in some segments of the market. However a lot depends on the success of the monsoon which is critical for revival of growth.

International Rates of our primary Input, Copper, has gone down substantially compared to FY 2014-15. Rupee has depreciated during the current fiscal by about Rs. 4/- per USD compared to FY 2014-15.

We continue to be optimistic for future growth of Electrical-Equipment-Manufacturing, Power and Infrastructure sectors who are principal consumers of products manufactured by us.

## DIRECTORS' REPORT

Imports through FTA and PTA need to be looked into for protecting the domestic manufacturing sectors in our Country.

While the proposed GST is a good measure and we welcome the same, the 1% non-vatable inter-state tax proposed under the Draft Bill, if levied, will adversely affect all industries who have pan-India marketing operations. Intra-state and inter-state Jobwork transactions should also be exempted from the purview of GST, as done at present under CST/VAT rules.

Considering the prevailing challenging economical climate in the country during the year under Report, your Company has performed well.

Briefly stated, the financial performance is as under:

The PBDIT is 5349.16(5058.98) Finance Charges 1112.10 (1421.89). Depreciation 1577.38 (1959.03), PBT 2659.68 (1678.06), Provision for Tax 956.71 (667.67). PAT 1702.97 (1010.39) lacs is higher than previous year. Our Reserves and Surplus (excluding Revaluation) are about Rs. 18315 (17528) at the end of March 2016. Our important operating ratios are healthy.

Since our Winding Wires are used in the manufacture of Electrical Equipment, long term prospects for the Industry are bright. The manufacturing sector also is likely to be given priority as the same generates more employment. Growth in Infrastructure sectors such as Air Ports, Metros, Highways, surface Transport etc. besides the Power-Sector, is likely to have catalytic impact on Capital-Goods-Sector. India, being a power-deficit country, the long term prospects of the Electrical Equipment Manufacturing Industry is good.

In anticipation of a revival, the Company has increased capacity of Continuously Transposed Conductors (CTC) recently and we expect to benefit in this segment over a period of about three years or so with the gradual revival in the Power sector.

We have also commenced modernization of our Enamelled Round Wire operations by installing brand new energy efficient capacity in our new Unit 5 at Silvassa which is expected to start commercial production during Q2 of the financial year 2016-17. We are also simultaneously planning to phase out some old/obsolete capacity.

Prevailing adverse economic climate in the country is bound to change for the better and your Company is hopeful for upturn in the economy and has started preparing for the same.

Your Company has been performing consistently well, is continuously a dividend-paying company with low debt gearing and is the market leader. On the financial front, we have discharged all our obligations on time, without delay or default..

### 4. Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure A and forms an integral part of this Report.

### 5. Number of Board Meetings held:

During the year under review, 6 (Six) meetings of the Board of Directors were held as under:

29-05-2015, 23-07-2015, 11-08-2015, 28-09-2015, 04-11-2015 and 09-02-2016.

### 6. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### 7. Nomination and Remuneration Policy:

The Board of Directors follows the policy as per the Act regarding appointment and remuneration etc of the Executive Directors of the Company. No remuneration was paid to Independent Directors except sitting fees for attending the Meetings of the Board/Committees. The Managing Directors appoint and fix from time to time the remuneration and perks of the Key Managerial Personnel of the Company. The Company has three Executive Directors on the Board and Six Non-Executive Independent Directors, including a Woman Director.

### 8. Key Managerial Personnel:

| Sr. No. | Name of the Person      | Designation                         |
|---------|-------------------------|-------------------------------------|
| 01      | Shri Mahendra R Mehta   | Chairman & Managing Director, CEO   |
| 02      | Shri Milan M Mehta      | Vice-Chairman and Managing Director |
| 03      | Shri Deepak M Mehta     | Whole-time Director                 |
| 04      | Shri C. Mohandas Pai    | CFO & G M Finance and Accounts      |
| 05      | Mrs. Nishthi H Dharmani | Company Secretary                   |

---

**DIRECTORS' REPORT**


---

**9. No Qualification, Reservation or Adverse Remark or Disclaimer Made:**

- (i) by the auditors in their report; and
- (ii) by the company secretary in practice in his secretarial audit report;

**10. Particulars of Loans, Guarantees or Investments:**

The Company has not given any Loans/Guarantees to any individual/body corporate, except to its employees.

During the year under review, the Company invested Rs. 185 Lacs in M/s NewGen Coils and Wires India Pvt. Ltd. towards purchase of Equity Shares.

**11. Related Party Transactions:**

All transactions entered with Related Parties, during the financial year were in the ordinary course of business and on an arms length basis on normal commercial terms and do not attract the provisions of section 188 of the Companies Act, 2013. Thus disclosure in form AOC-2 is not required. There were no materially significant related parties transactions during the financial year with promoters, Directors and Key Managerial Personnel which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for interested related party transactions which has been uploaded on the Company's website.

The Company has frame work for the purpose of identification and monitoring of related party transactions. All related Party transactions are placed before the Audit Committee as also to the Board of Director's for approval. Prior omnibus approvals are granted by the Audit Committee for related party transactions. Transactions entered into pursuant to omnibus approval are placed before the Audit Committee and Board for review and approval on quarterly basis..

- 12.** There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

**13. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-B to this report.

**14. Development and Implementation of a Risk Management Policy:**

The Company has been addressing various risks impacting the Company.

Some of the risks that the Company is exposed to are:

**Foreign Exchange Risks**

The Company's policy is to actively manage its foreign exchange risk on import of inputs and export of finished goods.

**Commodity Price Risks**

The Company is exposed to the risk of price fluctuation of raw materials and foreign Exchange. Generally, so far it is practicable the Company purchases Copper back-to-back after the receipt of the order / Consumer opted Copper bookings so as to minimize the above risk.

**Regulatory Risks**

We endeavour to submit and file data with concerned Authorities, so as to comply with Regulations/Laws in time. Wherever we are unable to understand/ grasp certain Regulations, we take assistance of Qualified and experienced consultants.

The Company is also mitigating these risks with the help of regular external compliance audits.

**15. Corporate Social Responsibility (CSR):**

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee. The Committee comprises of One Independent Director and Two Executive Directors. The CSR Policy has been uploaded on the website of the Company.

In FY 2014-15, we had made provision for the CSR- Amount of Rs. 44.50 lacs (rounded off). There against, in the current year we have contributed Rs. 20.00 lacs to the foundation for Promotion of Sports & Games (OGQ), Mumbai and balance Rs. 24.50 lacs to Swachh Bharat Kosh, both eligible recipients.

In the year under review, we have made a provision of Rs. 42.06 Lacs for CSR contribution subject to approval by the Members at AGM. As required under the Companies Act, 2013, the statement in Annexure C is a part of the Directors Report. Income Tax deductions/benefit has not been availed for CSR contributions.

**16. Corporate Governance:**

Please refer to the Annexure D to the Directors Report in the Audited Annual Report for the Accounting Year 2015-16.

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 has been posted on the Company's website. The Declaration to this effect signed by the CEO is made a part of the Annual Report.

**17. Performance Evaluation:**

The Company has 6 (Six) Independent, Non-Executive Directors who attend the meetings of the Board and various Committees regularly and participate. During such meetings, Independent Directors continuously evaluate the performance of the Chairman and other Executive Directors. The Executive Directors monitor the participation of the Independent Directors during the year. Chairman of Audit Committee and 3 Non-Executive Directors attended all the Meetings of the Board and Audit Committee during the year. The Independent Directors, as per the observation of the Executive Directors, are all highly experienced in the field of finance, banking, industry and management and on some important matters their advice to the Board is highly invaluable.

## DIRECTORS' REPORT

### 18. Deposits:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 19. There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations at present so far.

### 20. Particulars of Employees under Section 197(12) and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Act and having regard to the provisions of Section 136(1) read with its relevant provisions of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company from Monday to Friday (Excluding holidays) for a period of twenty one days before the date of ensuing AGM and in the interim period also, any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

The information pertaining to remuneration to all Directors and KMPs are covered under Annexure "A" and Annexure "D" forming part of this Annual Report. None of the employees of the Company, except executive Directors, was in receipt of remuneration in excess of the limits prescribed under section 134 of the Companies Act, 2013.

As on 31<sup>st</sup> March, 2016 there were 523 Permanent employees of the Company.

### 21. 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 the 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.(NSDL), Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and Central Depository Services (India) Limited (CDSL), Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai - 400 023, Under ISIN No.INE372C01029 common for both.

### 22. Auditors

#### a) Statutory Auditors:

The Auditors, M/s S. R. Divatia & Company, Chartered Accountants, Mumbai, who have been Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. Subject to the approval of the Members at the ensuing AGM, it is proposed to re-appoint them for the Financial Year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s S. R. Divatia & Company that their appointment, if made, would be in conformity with the limits specified in the said section.

#### b) Cost Auditors:

Based on the recommendation of the Nomination and Remuneration Committee and Audit Committee at its meeting held on 26<sup>th</sup> May, 2016, the Board has appointed M/s. Gangan & Co., Cost Accountants as the Cost Auditors to audit the Cost accounts of the Company for the Financial Year 2016-17 at a remuneration of Rs. 3,00,000/- plus service tax as applicable and reimbursement of out of pocket expenses, subject to approval of Members at the ensuing AGM.

The Cost Accounting records maintained by the Company for Products covered under Central Excise Tariff Act, 1985 Chapter Heading 8544 (Winding Wires Made of Copper) are subject to yearly audit by qualified Cost Auditors.

The cost audit report for the financial year 2014-15 was filed with the Ministry of Company Affairs on 30<sup>th</sup> September, 2015.

#### c) Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Ragini Chokshi & Company, a firm of Company Secretaries in Practice (C.P. Number 1436) to undertake the Secretarial Audit of the Company for FY 2016-17. The Secretarial Audit Report is included as "Annexure E" and forms integral part of this report.

There is no secretarial audit qualification for the year under review

### 23. Directors :

#### a) The term of appointment of Shri Deepak M. Mehta, as Whole Time Director, expires on 31<sup>st</sup> July, 2016. On the recommendation of Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 26<sup>th</sup> May, 2016, re-appointed Shri Deepak M. Mehta as Whole Time Director for a period of three years w.e.f. 1<sup>st</sup> August, 2016 subject to the approval of the members at ensuing AGM and other statutory approval required, if any.

#### b) Pursuant to Section, 152 of the Companies Act, 2013, and the Articles of Association of the Company, Shri Deepak M. Mehta, Director will retire by rotation at the end of ensuing Annual General Meeting, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

The brief resume of the Director being appointed/ re-appointed, the nature of his expertise in specific functional areas, names of companies in which he holds directorships, committee memberships/ chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

Your Directors therefore, recommend his appointment /re-appointment at the ensuing Annual General Meeting.

---

**DIRECTORS' REPORT**

---

- c) All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and listing regulations.
- d) Details of key managerial personnel who were appointed or have resigned during the year --- None.

**24. Internal Control Systems and their Adequacy:**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Ms. Devdhar & Associates, reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

**25. Vigil Mechanism / Whistle Blower Policy:**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The Policy is posted on the website of the Company.

**26. 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: 26<sup>th</sup> May, 2016.

# DIRECTORS' REPORT

Annexure – “A”

## **FORM NO. MGT-9** **EXTRACT OF ANNUAL RETURN** **as on financial year ended 31-03-2016** **[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies** **(Management & Administration) Rules 2014]**

### I. REGISTRATION AND OTHER DETAILS:

|  |  |
|--|--|
| i) CIN   | L31300MH1989PLC054356  |
| ii) Registration Date  | 23 <sup>rd</sup> November, 1989  |
| iii) Name of the Company   | Precision Wires India Limited  |
| iv) Category / Sub- Category of the Company                                    | Company Limited by Share/Indian Non-Government Company   |
| v) Address of the Registered Office and Contact Details                        | Saiman House, J.A. Raul Street, Off Sayani Road, Prabhadevi, Mumbai - 400 025.<br>Tel: 022-2437 6281 • Fax : 022-2436 2593<br>Email: mumbai@pwil.net   |
| vi) Whether Listed Company Yes / No  | Yes  |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Link Intime India Pvt Ltd.(SEBI registered:INR000004058) having Registered Office at C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.<br>Tel: 022-2594 6970, Fax: 022-2594 6969<br>Email : rnt.helpdesk@linkintime.co.in |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| Sl. No. | Name and Description of main products / services                  | NIC Code of the Product / Service | % to total turnover of the company |
|---------|---|-----------------------------------|------------------------------------|
| 1       | INSULATED ENAMELLED WIRES AND OTHER INSULATED ELECTRIC CONDUCTORS | 85441110                          | 100%                               |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name and Address of the Company | CIN/GLN               | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---------------------------------|-----------------------|-------------------------------|------------------|--------------------|
| 1       | Newgen Wires & Coils Pvt. Ltd.  | U74900KA2015PTC082743 | Associate                     | 25.73%           | 2(6)               |

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### (i) Category-wise Share Holding

| Category of Shareholders       | No. of Shares held at the beginning of the year* |          |                |                   | No. of Shares held at the end of the year** |          |                 |                   | % Change during the year |
|--------------------------------|--|----------|----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|                                | Demat  | Physical | Total          | % of Total Shares | Demat                                       | Physical | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>            |  |          |                |                   |   |          |                 |                   |                          |
| <b>(1) Indian</b>              |  |          |                |                   |   |          |                 |                   |                          |
| a) Individual/HUF              | 5165115  | 0        | 5165115        | 44.67%            | 10330230                                    | 0        | 10330230        | 44.67%            | 0.00%                    |
| b) Central Govt                | 0  | 0        | 0              | 0                 | 0   | 0        | 0               | 0                 | 0.00%                    |
| c) State Govt (s)              | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| d) Bodies Corp.                | 1734668  | 0        | 1734668        | 15.00%            | 3469336                                     | 0        | 3469336         | 15.00%            | 0.00%                    |
| e) Banks/ FI                   | 0  | 0        | 0              | 0                 | 0   | 0        | 0               | 0                 | 0.00%                    |
| f) Any Other                   | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| <b>Sub-Total</b>               |  |          |                |                   |   |          |                 |                   | <b>0.00%</b>             |
| <b>A(1)</b>                    | <b>6899783</b>                                   | <b>0</b> | <b>6899783</b> | <b>59.67%</b>     | <b>13799566</b>                             | <b>0</b> | <b>13799566</b> | <b>59.67%</b>     | <b>0.00%</b>             |
| <b>(2) Foreign</b>             |  |          |                |                   |   |          |                 |                   |                          |
| a) NRIs - Individuals          | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| b) Other - Individuals         | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| c) Bodies Corp.                | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| d) Banks/ FI                   | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| e) Any Other                   | 0  | 0        | 0              | 0.00%             | 0   | 0        | 0               | 0.00%             | 0.00%                    |
| <b>Sub-Total</b>               |  |          |                |                   |   |          |                 |                   |                          |
| <b>A(2)</b>                    | <b>0</b>   | <b>0</b> | <b>0</b>       | <b>0.00%</b>      | <b>0</b>                                    | <b>0</b> | <b>0</b>        | <b>0.00%</b>      | <b>0.00%</b>             |
| Total Shareholding of Promoter |  |          |                |                   |   |          |                 |                   |                          |
| <b>A=A(1) + A(2)</b>           | <b>6899783</b>                                   | <b>0</b> | <b>6899783</b> | <b>59.67%</b>     | <b>13799566</b>                             | <b>0</b> | <b>13799566</b> | <b>59.67%</b>     | <b>0.00%</b>             |

## DIRECTORS' REPORT

| Category of Shareholders  | No. of Shares held at the beginning of the year* |               |                 |                   | No. of Shares held at the end of the year** |               |                 |                   | % Change during the year |
|---|--|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
|   | Demat  | Physical      | Total           | % of Total Shares | Demat                                       | Physical      | Total           | % of Total Shares |                          |
| <b>B. Public Shareholding</b>   |  |               |                 |                   |   |               |                 |                   |                          |
| <b>1. Institutions</b>  |  |               |                 |                   |   |               |                 |                   |                          |
| a) Mutual Funds   | 0  | 1100          | 1100            | 0.01%             | 0   | 2200          | 2200            | 0.01%             | 0.00%                    |
| b) Banks / FI   | 4797   | 0             | 4797            | 0.04%             | 0   | 0             | 0               | 0                 | -0.04%                   |
| c) Central Govt.  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| d) State Govt(s)  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| e) Venture Capital Funds  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| f) Insurance Companies  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| g) FII's  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| h) Foreign Venture Capital  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| i) Funds Others (specify)   | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| <b>Sub-Total</b>  |  |               |                 |                   |   |               |                 |                   |                          |
| <b>B(1)</b>   | <b>4797</b>                                      | <b>1100</b>   | <b>5897</b>     | <b>0.05%</b>      | <b>0</b>                                    | <b>2200</b>   | <b>2200</b>     | <b>0.01%</b>      | <b>-0.04%</b>            |
| <b>2. Non- Institutions</b>   |  |               |                 |                   |   |               |                 |                   |                          |
| a) Bodies Corp.   | 468913   | 17400         | 486313          | 4.20%             | 769931                                      | 34600         | 804531          | 3.48%             | -0.72%                   |
| i) Indian   | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| ii) Overseas  | 0  | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00%                    |
| b) Individuals  |  |               |                 |                   |   |               |                 |                   |                          |
| i) individual Shareholders holding nominal share capital upto Rs. 1 lakh          | 2005705  | 334211        | 2339916         | 20.24%            | 4456829                                     | 652662        | 5109491         | 22.09%            | 1.85%                    |
| ii) individual Shareholders holding nominal share capital in excess of Rs. 1 lakh | 1441811  | 102250        | 1544061         | 13.35%            | 2659774                                     | 204500        | 2864274         | 12.39%            | -0.96%                   |
| c) Others (Specify)   |  |               |                 |                   |   |               |                 |                   |                          |
| i) Independent Director   | 69626  | 0             | 69626           | 0.60%             | 139632                                      | 0             | 139632          | 0.60%             | 0.00%                    |
| ii) Non-Resident (Rep)  | 112239   | 0             | 112239          | 0.97%             | 182919                                      | 0             | 182919          | 0.79%             | -0.18%                   |
| iii) Non-resident (Non-Rep)   | 104788   | 0             | 104788          | 0.91%             | 222633                                      | 0             | 222633          | 0.96%             | 0.05%                    |
| iv) Trust   | 1000   | 0             | 1000            | 0.01%             | 2000  | 0             | 2000            | 0.01%             | 0.00%                    |
| <b>Sub-Total B (2)</b>  | <b>4204082</b>                                   | <b>453861</b> | <b>4657943</b>  | <b>40.28%</b>     | <b>8433718</b>                              | <b>891762</b> | <b>9325480</b>  | <b>40.32%</b>     | <b>0.04%</b>             |
| <b>Total Public Shareholding B = B(1) + (B)(2)</b>                                | <b>4208879</b>                                   | <b>454961</b> | <b>4663840</b>  | <b>40.33%</b>     | <b>8433718</b>                              | <b>893962</b> | <b>9327680</b>  | <b>40.33%</b>     | <b>0.00%</b>             |
| <b>C. Shares held by Custodian for GDR &amp; ADRs</b>                             | <b>0</b>   | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                    | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0.00%</b>             |
| <b>Grand Total (A+B+C)</b>  | <b>11108662</b>                                  | <b>454961</b> | <b>11563623</b> | <b>100.00%</b>    | <b>22233284</b>                             | <b>893962</b> | <b>23127246</b> | <b>100.00%</b>    | <b>0.00%</b>             |

## (ii) Shareholding of Promoters

| Sl No. | Shareholder's Name           | Shareholding at the beginning of the year* |                                  |  | Share holding at the end of the year** |                                  |  | % change in share holding during the year |
|--------|------------------------------|--|----------------------------------|--|--|----------------------------------|--|---|
|        |                              | No. of Shares                              | % of total Shares of the Company | % of Shares Pledged / Encumbered to total shares | No. of Shares                          | % of total Shares of the Company | % of Shares Pledged / Encumbered to total shares |   |
| 1.     | Mahendra R Mehta             | 1548621                                    | 13.39%                           | 0  | 4722350                                | 20.42%                           | 0  | 7.03%                                     |
| 2.     | Milan M Mehta                | 508223                                     | 4.40%                            | 0  | 1016446                                | 4.40%                            | 0  | 0.00%                                     |
| 3.     | Milan M Mehta, HUF           | 279725                                     | 2.42%                            | 0  | 559450                                 | 2.42%                            | 0  | 0.00%                                     |
| 4.     | Deepak M Mehta               | 414060                                     | 3.58%                            | 0  | 828120                                 | 3.58%                            | 0  | 0.00%                                     |
| 5.     | Deepak M Mehta, HUF          | 153100                                     | 1.32%                            | 0  | 306200                                 | 1.32%                            | 0  | 0.00%                                     |
| 6.     | Sharda M Mehta               | 812554                                     | 7.03%                            | 0  | 0.00                                   | 0.00%                            | 0  | -7.03%                                    |
| 7.     | Nirbhay Deepak Mehta         | 444825                                     | 3.85%                            | 0  | 889650                                 | 3.85%                            | 0  | 0.00%                                     |
| 8.     | Sujata D Mehta               | 389572                                     | 3.37%                            | 0  | 779144                                 | 3.37%                            | 0  | 0.00%                                     |
| 9.     | Gira M Mehta                 | 298572                                     | 2.58%                            | 0  | 597144                                 | 2.58%                            | 0  | 0.00%                                     |
| 10.    | Arjun Milan Mehta            | 158975                                     | 1.37%                            | 0  | 317950                                 | 1.37%                            | 0  | 0.00%                                     |
| 11.    | Maitili Milan Mehta          | 156475                                     | 1.35%                            | 0  | 312950                                 | 1.35%                            | 0  | 0.00%                                     |
| 12.    | Galvawire Agencies Pvt. Ltd. | 1734668                                    | 15.00%                           | 0  | 3469336                                | 15.00%                           | 0  | 0.00%                                     |
| 13.    | Aanchal Nirbhay Mehta        | 413  | 0.003%                           | 0  | 826                                    | 0.003%                           | 0  | 0.00%                                     |
|        | <b>Total</b>                 | <b>6899783</b>                             | <b>59.67%</b>                    | <b>0</b>   | <b>13799566</b>                        | <b>59.67%</b>                    | <b>0</b>   | <b>0.00%</b>                              |

## DIRECTORS' REPORT

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Promoters - Shareholders Name  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during |                                  |
|---------|--|---|----------------------------------|--------------------------------|----------------------------------|
|         |  | No. of shares*                            | % of total shares of the company | No. of shares**                | % of total shares of the company |
| 1.      | <b>Shri Mahendra R. Mehta</b>  |   |                                  |                                |                                  |
|         | At the beginning of the year   | 15,48,621                                 | 13.39%                           | 15,48,621                      | 13.39%                           |
|         | Increase in Promoter's Share holding during the year due to the Death of First holder of Shares, Mrs. Sharda M. Mehta, Promoter-Shareholder, Wife of Shri Mahendra R. Mehta, Director-Promoter-Shareholder.                          |   |                                  |                                |                                  |
|         | At the End of the year   |   |                                  | <b>47,22,350</b>               | <b>20.42%</b>                    |
| 2.      | <b>Mrs. Sharda M Mehta</b>   | 8,12,554                                  | 7.03%                            | 8,12,554                       | 7.03%                            |
|         | Decrease in Promoter's Share holding during the year due to the Death of First holder of Shares, Mrs. Sharda M. Mehta, Promoter-Shareholder, Wife of Shri Mahendra R. Mehta, (Joint Holder of Shares) Director-Promoter-Shareholder. | 8,12,554                                  | 7.03%                            | 0.00                           | 0.00%                            |
|         | At the End of the year   |   |                                  | <b>0.00</b>                    | <b>0.00%</b>                     |

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For each of the top 10 shareholders          | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares*                            | % of total shares of the company | No. of shares**                         | % of total shares of the company |
| 1       | KCP Sugar and Industries Corporation Limited | 1,52,874                                  | 1.32                             | 3,05,748                                | 1.32                             |
| 2       | Anita Ravinder Bhandari                      | 1,34,000                                  | 1.16                             | 2,68,000                                | 1.16                             |
| 3       | Rajen Brijlal Gupta                          | 84,450                                    | 0.73                             | 1,68,900                                | 0.73                             |
| 4       | Sudhir Gupta                                 | 84,150                                    | 0.73                             | 1,68,300                                | 0.73                             |
| 5       | Seema Gupta                                  | 83,850                                    | 0.73                             | 1,67,700                                | 0.72                             |
| 6       | Ashwin Kumar Kothari                         | 68,626                                    | 0.59                             | 1,37,632                                | 0.60                             |
| 7       | Megh Ishwer Manseta                          | 65,000                                    | 0.56                             | 1,30,000                                | 0.56                             |
| 8       | Ranvir Ranjit Shah                           | 54,116                                    | 0.47                             | 1,23,134                                | 0.53                             |
| 9       | Bharat Tokershi Gosar                        | 7,750                                     | 0.07                             | 1,20,000                                | 0.52                             |
| 10      | Kiran Velagapudi                             | 58,000                                    | 0.50                             | 1,16,000                                | 0.50                             |
|         | <b>At the beginning of the year</b>          | <b>7,92,816</b>                           | <b>6.86</b>                      | <b>17,05,414</b>                        | <b>7.37</b>                      |

### (v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year |                                  | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc) |                                      |   | Cumulative Shareholding at the end of the year |                                  |
|---------|-----------------------------------|---|----------------------------------|--|--------------------------------------|---|--|----------------------------------|
|         |                                   | No. of shares*                            | % of total shares of the company | Date   | Increase or decrease in Shareholding | Reason  | No. of shares**                                | % of total shares of the company |
| 01      | Mahendra R Mehta                  | 15,48,621                                 | 13.39%                           | 22/02/2016   | +8,12,554                            | Transfer of shares due to death of First Shareholder-Promoter | 47,22,350                                      | 20.42%                           |
| 02      | Milan M Mehta                     | 5,08,223                                  | 4.40%                            | -  | -                                    | -   | 10,16,446                                      | 4.40%                            |
| 03      | Milan M Mehta, HUF                | 2,79,725                                  | 2.42%                            | -  | -                                    | -   | 5,59,450                                       | 2.42%                            |
| 04      | Deepak M Mehta                    | 4,14,060                                  | 3.58%                            | -  | -                                    | -   | 8,28,120                                       | 3.58%                            |
| 05      | Deepak M Mehta, HUF               | 1,53,100                                  | 1.32%                            | -  | -                                    | -   | 3,06,200                                       | 1.32%                            |
| 06      | C Mohandas Pai                    | 760                                       | 0.01                             | -  | -                                    | -   | 2,040  | 0.01%                            |
| 07      | Nishthi H. Dharmani               | 0   | 0                                | -  | -                                    | -   | 0  | 0                                |

\* Equity share of Rs.10/- each.

\*\* Equity share of Rs.5/- each w.e.f. 23<sup>rd</sup> March, 2016.

## DIRECTORS' REPORT

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans<br>excluding Deposits | Unsecured<br>Loans  | Deposits        | Total<br>Indebtedness |
|--|-------------------------------------|---------------------|-----------------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                     |                 |                       |
| i) Principal Amount  | 31,08,63,244                        | 6,61,70,471         | 1,00,000        | 37,71,33,715          |
| ii) Interest due but not paid                              | 0                                   | 0                   | 0               | 0                     |
| iii) Interest accrued but not due                          | 6,46,446                            | 0                   | 0               | 6,46,446              |
| <b>Total (i+ii+iii)</b>                                    | <b>31,15,09,690</b>                 | <b>6,61,70,471</b>  | <b>1,00,000</b> | <b>37,77,80,161</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                     |                 |                       |
| – Addition   | 0                                   | 13,38,52,852        | 0               | 13,38,52,852          |
| – Reduction  | (23,32,35,739)                      | 0                   | 0               | (23,32,35,739)        |
| <b>Net Change</b>  | <b>(23,32,35,739)</b>               | <b>13,38,52,852</b> | <b>0</b>        | <b>(9,93,82,887)</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                     |                 |                       |
| i) Principal Amount  | 7,82,01,969                         | 19,97,47,911        | 1,00,000        | 27,80,49,880          |
| ii) Interest due but not paid                              | 0                                   | 0                   | 0               | 0                     |
| iii) Interest accrued but not due                          | 71,982                              | 2,75,412            | 0               | 3,47,394              |
| <b>Total (i+ii+iii)</b>                                    | <b>78,273,951</b>                   | <b>20,00,23,323</b> | <b>1,00,000</b> | <b>27,83,97,274</b>   |

## vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/Manager                |                                    |                                       | Total Amount       |
|---------|---|---------------------------------------|------------------------------------|---------------------------------------|--------------------|
|         |   | Mahendra R Mehta<br>Managing Director | Milan M Mehta<br>Managing Director | Deepak M Mehta<br>Whole Time Director |                    |
| 1.      | Gross salary  |                                       |                                    |                                       |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 38,22,000                             | 1,02,25,800                        | 40,73,333                             | 18,121,133         |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3,63,900                              | 8,64,416                           | 8,97,115                              | 21,25,434          |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | 0                                     | 0                                  | 0                                     | 0                  |
| 2.      | Stock Option  | 0                                     | 0                                  | 0                                     | 0                  |
| 3.      | Sweat Equity  | 0                                     | 0                                  | 0                                     | 0                  |
| 4.      | Commission  | 22,28,531                             | 12,00,800                          | 22,28,531                             | 56,57,862          |
|         | - as % of profit  |                                       |                                    |                                       |                    |
|         | - others, specify...  |                                       |                                    |                                       |                    |
| 5.      | Others, please specify (Contribution to PF, Provision for Gratuity)                 | 5,65,062                              | 19,72,754                          | 21,600                                | 25,59,416          |
|         | <b>Total (A)</b>  | <b>69,79,493</b>                      | <b>1,42,63,770</b>                 | <b>72,20,579</b>                      | <b>2,84,63,845</b> |
|         | <b>Ceiling as per the Act</b>   |                                       |                                    |                                       | <b>2,94,91,577</b> |

## DIRECTORS' REPORT

### B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration  | Name of Directors  |                  |                    |                   |                    |                  | Total Amount       |
|---------|--|--------------------|------------------|--------------------|-------------------|--------------------|------------------|--------------------|
|         |  | P.N. Vencatesan    | Vijay M Crishna  | Ashwin P Kothari   | Pratap R Merchant | Pradip Roy         | Swati Maheshwari |                    |
| 1.      | Independent Directors<br>Fee for attending board committee meetings<br>• Commission<br>• Others, please specify        | 1,10,000<br>—<br>— | 22,000<br>—<br>— | 1,07,000<br>—<br>— | 73,000<br>—<br>—  | 1,07,000<br>—<br>— | 65,000<br>—<br>— | 4,84,000<br>—<br>— |
|         | <b>Total (1)</b>   | <b>1,10,000</b>    | <b>22,000</b>    | <b>1,07,000</b>    | <b>73,000</b>     | <b>1,07,000</b>    | <b>65,000</b>    | <b>4,84,000</b>    |
| 2.      | Other Non-Executive Director<br>Fee for attending board committee meetings<br>• Commission<br>• Others, please specify | —<br>—<br>—        | —<br>—<br>—      | —<br>—<br>—        | —<br>—<br>—       | —<br>—<br>—        | —<br>—<br>—      | —<br>—<br>—        |
|         | <b>Total (2)</b>   | <b>—</b>           | <b>—</b>         | <b>—</b>           | <b>—</b>          | <b>—</b>           | <b>—</b>         | <b>—</b>           |
|         | <b>Total (B)=(1+2)</b>   | <b>1,10,000</b>    | <b>22,000</b>    | <b>1,07,000</b>    | <b>73,000</b>     | <b>1,07,000</b>    | <b>65,000</b>    | <b>4,84,000</b>    |
|         | Total Managerial Remuneration<br>Overall Ceiling as per the Act  |                    |                  |                    |                   |                    |                  |                    |

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                     |                     |
|---------|--|--------------------------|---------------------|---------------------|
|         |  | Company Secretary        | CFO                 | Total               |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 6,84,410<br>0<br>0       | 15,90,950<br>0<br>0 | 22,75,360<br>0<br>0 |
| 2.      | Stock Option   | 0                        | 0                   | 0                   |
| 3.      | Sweat Equity   | 0                        | 0                   | 0                   |
| 4.      | Commission<br>- as % of profit<br>- others, specify  | 0<br>0                   | 0<br>0              | 0<br>0              |
| 5.      | Others, please specify (Contribution to PF, Provision for Gratuity)  | 21,600                   | 9,000               | 30,600              |
|         | <b>Total</b>   | <b>7,06,010</b>          | <b>15,99,950</b>    | <b>23,05,960</b>    |

VII) PENALTY / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 2013 --- NONE

**A. Conservation of energy:**

- (i) the steps taken or impact on conservation of energy : NIL
- (ii) the steps taken by the company for utilising alternate sources of energy : NIL
- (iii) the capital investment on energy conservation equipments : NIL

**B. Technology Absorption :**

- (i) the efforts made towards technology absorption : NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution : NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - (a) the details of technology imported : NIL
  - (b) the year of import : NIL
  - (c) whether the technology been fully absorbed : NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : NA
- (iv) the expenditure incurred on Research and Development : NIL

**Expenditure on R&D: NIL**

| Sr. No. | Particulars   | 2015-16 | 2014-15 |
|---------|---|---------|---------|
| A       | Capital   | NIL     | NIL     |
| B       | Recurring   | NIL     | NIL     |
| C       | Total   | NIL     | NIL     |
| D       | Total R&D expenditure as a percentage of total turnover | NIL     | NIL     |

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

|           |                               |
|-----------|-------------------------------|
| Earnings  | 9,093 (9,591) (Rs. in Lacs)   |
| Outgoings | 17,371 (14,916) (Rs. in Lacs) |

## DIRECTORS' REPORT

**Annexure – “C”**

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

|    |   |   |
|----|---|---|
| 1. | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.                               | Our CSR Committee has decided to carry forward CSR – Amount and spend the same for the purpose and causes listed in Schedule VII of the Companies Act, 2013.  |
| 2. | The Composition of the CSR Committee.   | 1. Shri Mahendra R. Mehta, Chairman<br>2. Shri Ashwin Kothari, Independent and Non-Executive Director, Member<br>3. Shri Milan M. Mehta, Managing Director, Member  |
| 3. | Average net profit of the company for last three financial years  | Rs. 21,02,70,251  |
| 4. | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)  | Rs. 42,05,405   |
| 5. | Details of CSR spent during the financial year.<br>(a) Total amount to be spent for the financial year;<br>(b) Amount unspent, if any;<br>(c) Manner in which the amount spent during the financial year is detailed below. | For the CSR amount for the previous year, contributed fully to eligible recipients. For the year under review, the same will accrue after the approval of the accounts by the Members at the ensuing AGM and the same shall be contributed during the current fiscal thereafter |

| Sr. No.   | CSR project or activity identified | Sector in which the Project is covered | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>Sub – heads:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative expenditure upto the reporting period | Amount spent : Direct or through implementing agency* |
|---|------------------------------------|--|---|---|---|--|---|
| Since we contributed to eligible recipients directly, the above is not applicable |                                    |  |   |   |   |  |   |

\*Give details of implementing agency: The Company proposes to implement on its own.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :- **Pls refer to Serial no. 5 of this report.**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

|   |  |  |
|---|--|--|
| Sd/-<br>(Shri Milan M Mehta)<br>(Vice Chairman and Managing Director, Member of this Committee) | Sd/-<br>(Shri Mahendra R Mehta, CMD)<br>(Chairman CSR Committee) | Sd/-<br>(Shri Ashwin Kothari,<br>Independent Non- Executive Director and Member of this Committee. |
|---|--|--|

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-2016 (PERIOD : 1<sup>st</sup> APRIL, 2015 TO 31<sup>st</sup> MARCH, 2016)**  
**(ANNEXURE D TO THE DIRECTORS' REPORT)**

(as required under clause 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015)

**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 | Meetings of Board of Directors |          | AGM |
|                                       |                                     |                            |  |  | Held                           | Attended |     |
| Shri Mahendra R Mehta                 | Chairman and Managing Director      | Promoter, Executive        | 1  | –  | 6                              | 6        | Yes |
| Shri Milan M Mehta                    | Vice-Chairman and Managing Director | Promoter, Executive        | 3  | M = 1  | 6                              | 6        | Yes |
| Shri Deepak M Mehta                   | Whole-time Director                 | Promoter, Executive        | 1  | –  | 6                              | 6        | Yes |
| Shri Vijay M Crishna                  | Director                            | Non-Executive, Independent | 4  | –  | 6                              | 1        | No  |
| Shri P N Vencatesan                   | Director                            | Non-Executive, Independent | –  | –  | 6                              | 6        | Yes |
| Shri PR Merchant                      | Director                            | Non-Executive, Independent | 3  | C = 2<br>M = 1   | 6                              | 4        | Yes |
| Shri AP Kothari                       | Director                            | Non-Executive, Independent | 11   | M = 2  | 6                              | 6        | No  |
| Shri Pradip Roy                       | Director                            | Non-Executive, Independent | 8  | C = 1<br>M = 5   | 6                              | 6        | Yes |
| Smt. Swati Gokul Maheshwari           | Director                            | Non-Executive, Independent | –  | –  | 6                              | 6        | Yes |

C = Chairman of Board Committee in other companies,

M = Member of Board Committee in other companies

**Number of Board Meetings held and dates on which held:**

Six Meetings of the Board of Directors were held, on 29-05-2015, 23-07-2015, 11-08-2015, 28-09-2015, 04-11-2015 and 09-02-2016 and the gap between two meetings did not exceed four months.

Annual General Meeting (AGM) of the company was held on 28-08-2015.

**Disclosures of relationships between directors interse:**

Shri Mahendra R. Mehta is father of Shri Milan M Mehta and Shri Deepak M Mehta

Shri Milan M Mehta and Shri Deepak M Mehta are brothers.

**Number of Shares and convertible instruments held by non-executive Directors:**

| Sl. No. | Name of the Director    | No. of shares | % of total shares of the company |
|---------|-------------------------|---------------|----------------------------------|
| 1.      | Shri Pratap R. Merchant | 2000          | 0.00                             |
| 2.      | Shri Ashwin Kothari     | 137632        | 0.60                             |

**Familiarisation Programme for Directors:**

All the six Non-Executive, Independent Directors are highly experienced and qualified. Mr. P.R. Merchant and Mr. P. Roy are former Executive Directors of Public Sector Banks. Mr. Vijay M. Crishna, Mr. P.N. Vencatesan and Mr. Ashwin Kothari, besides being qualified, have very long experience in industrial and professional field. Mrs. Swati Gokul Maheshwari, Lady Director, an M.B.A and Ex-Banker. All the independent Non-Executive Directors are familiar with Company's Operations.

Web link for details of familiarization programmes imparted to Independent Directors: [www.precisionwires.com](http://www.precisionwires.com)

**3. Audit Committee:**

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

Brief Description of Terms of Reference is as under:

- To look into the various aspects envisaged by and in accordance with Section 177 of the Companies Act, 2013 and provisions of Clause 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Rules and Regulations in this regard.
- To oversee the Company's Internal Controls and financial reporting process and the disclosure of its financial information to ensure that the financial statements are 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.

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

During the year, Six Meetings of the Audit Committee of the Board of Directors were held, on 29-05-2015, 23-07-2015, 11-08-2015, 28-09-2015, 04-11-2015 and 09-02-2016.

| 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                       | 4        |
| Shri A P Kothari (Technocrat-Entrepreneur)           | Independent, Non-Executive | 6                       | 6        |
| Shri Pradip Roy (Retired Banker and Technocrat)      | Independent, Non-Executive | 6                       | 6        |

- All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Banking and risk.
- Statutory Auditors is our permanent invitee.
- Company Secretary act as secretary to the Audit Committee.

**4. Nomination and Remuneration Committee (N&RC):**
**Brief description of Terms of Reference:**

The terms of reference of the Nomination and 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 qualification, experience, past performance, past remuneration etc.

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

During the year, there was no requirement to hold any such Meeting.

| Name of the Members                                  | Category                   | Nomination & Remuneration Committee Meeting                                |          |
|--|----------------------------|--|----------|
|  |                            | Held   | Attended |
| Shri P N Vencatesan, Chairman (Chartered Accountant) | Independent, Non-Executive | <b>During the year, there was no requirement to hold any such Meeting.</b> |          |
| Shri P R Merchant (Retired Senior Banker)            | Independent, Non-Executive |  |          |
| Shri A P Kothari (Technocrat-Entrepreneur)           | Independent, Non-Executive |  |          |
| Shri Pradip Roy (Retired Banker and Technocrat)      | Independent, Non-Executive |  |          |

**Remuneration Policy:**

The remuneration of Executive Directors is approved by the shareholders at their Meetings on the basis of recommendations of the Nomination and 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 2015-16.

| Name of Director and Service Contract                                   | Salary#<br>Rs. | Commission<br>Rs. | Perquisites ##<br>Rs. | Total<br>Rs. |
|---|----------------|-------------------|-----------------------|--------------|
| Shri Mahendra R Mehta<br>(Re-appointed w. e. f. 01.10.2014 for 3 years) | 38,22,000      | 22,28,531         | 3,63,900              | 64,14,431    |
| Shri Milan M Mehta<br>(Re-appointed w. e. f. 01.04.2015 for 3 years)    | 1,02,25,800    | 12,00,800         | 8,64,416              | 1,22,91,016  |
| Shri Deepak M Mehta<br>(Re-appointed w. e. f. 01.08.2013 for 3 years)   | 40,73,333      | 22,28,531         | 8,97,115              | 71,98,999    |

The above figures do not includes following provisions for Provident Fund (PF) and Gratuity :

|                           | PF                  | Gratuity               |
|---------------------------|---------------------|------------------------|
| 1. Shri Mahendra R. Mehta | Rs. 21,600/-        | Rs. 5,43,462/-         |
| 2. Shri Milan M. Mehta    | Rs. 21,600/-        | Rs. 19,51,154/-        |
| 3. Shri Deepak M Mehta    | Rs. 21,600/-        | Rs. 0.00/-             |
| <b>Total</b>              | <b>Rs. 64,800/-</b> | <b>Rs. 24,94,616/-</b> |

# Salary includes leave travel allowance not exceeding one month salary once in every year and allows to be accumulated up to three years.

## Perquisites include Reimbursement of medical expenses for self and family, Reimbursement of gas, electricity, water charges and furnishings, 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.

The variable component of above remuneration is the payment of Commission at 1% based on the Profit of the Company computed u/s 198 of the Companies Act 2013. 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.

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

Your Company has not granted any stock options to any of its Directors

[ii] Remuneration paid to Non-Executive Directors for financial year 2015-16

| Particulars  | Shri P N Vencatesan | Shri P R Merchant | Shri AP Kothari | Shri VM Crishna | Shri Pradip Roy | Smt Swati Gokul Maheshwari |
|--|---------------------|-------------------|-----------------|-----------------|-----------------|----------------------------|
| Sitting Fees for attending Board and Committee Meetings.   | Rs. 1,10,000        | Rs. 73,000        | Rs. 1,07,000    | Rs. 22,000      | Rs. 1,07,000    | Rs. 65,000                 |
| Non-executive Directors are not paid any other remuneration. The above figures are inclusive of Service Tax. |                     |                   |                 |                 |                 |                            |

**5. Stakeholders Relationship Committee:**

Name of non-executive director heading the committee : Shri P. N. Vencatesan,  
 Name and designation of compliance officer : Ms. Nishthi H. Dharmani, Company Secretary.  
 Number of complaints received up to 31.03.2016 : 01 (One)  
 Number not solved to the satisfaction of shareholders as on 31.03.2016 : NIL  
 Number Pending complaints : NIL

The Company has also conducted Share Capital Audit relating to the issue of shares, request for dematerialization of shares, Register of Members and changes in share capital, for every quarter.

**Terms of reference :**

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

**6. Corporate Social Responsibility Committee**

**Composition**

Kindly refer to serial no 15 of the Director's Report, on page no. 12, of the Annual Report for the Year 2015-16.

**7. Risk Management Committee:**

In accordance with the requirement of Listing Agreement, your Company constituted a Risk Management Committee during the year. Kindly refer to serial no 14 of the Director's Report, on page no. 12, of the Annual Report for the Year 2015-16.

**8. Performance evaluation :**

Kindly refer to serial no 17 of the Director's Report, on page no. 12, of the Annual Report for the Year 2015-16.

**9. Related party transaction :**

Kindly refer to serial no 11 of the Director's Report, on page no. 12, of the Annual Report for the Year 2015-16.

**10. Independent Directors Meeting**

During the year under review, the independent Directors met on February 09, 2016, inter alia, to discuss various issues as envisaged vide Schedule IV, Clause VII and VIII of the Company Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the independent Directors were present at the above Meeting. Executive Directors / Managers neither attended nor participated in the Meeting.

**11. 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  | Number of Special Resolutions passed at the AGMs |
|----------------|------------|------------|---|--|
| 2014-2015      | 28-08-2015 | 02.30 p.m. | Hall of The Mysore Association,<br>1 <sup>st</sup> Floor, 393, Bhau Daji Road,<br>Maheshwari Udyan (King Circle), | Five   |
| 2013-2014      | 29-09-2014 | 02.30 p.m. |   | Five   |
| 2012-2013      | 07-08-2013 | 02.30 p.m. | Matunga (Central Railway), Mumbai - 400 019.  | Two  |

ii. Resolutions by Postal Ballots, etc.:

Special Resolutions passed by Postal Ballot during the year- NIL.

## 12. Disclosures:

### i. Materially significant related party transactions:

All transactions entered into with Related Parties as defined under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length basis at normal commercial terms and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

- 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. Pursuant to section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The Policy is posted on the website of the Company.
- iv. The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The Policy is posted on the website of the Company. We affirm that no personnel/Director has been denied access to the Audit Committee.

## 13. Adoption of non-mandatory requirements under Listing Agreement:

The non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

## 14. CEO/CFO Certification

A certificate from the CEO & CFO as specified in Part B of Schedule II in terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 was placed before the Board Meeting held on 26<sup>th</sup> May, 2016 to approve the Audited Accounts for the year ended 31<sup>st</sup> March, 2016.

## 15. 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 and Annual Report are available on websites of BSE and NSE. The same are also available on the Company's website <http://www.precisionwires.com>

A separate dedicated section under "Investors Relations" on the Company's Website gives information on unclaimed dividend, quarterly Compliances with the Stock Exchanges and other relevant information of interest to the Shareholders.

There were no presentation made to the Institutional Investors or to the Analyst.

## 16. General Shareholder Information:

### i. Annual General Meeting:

Day, Date, Month & Time: Wednesday 28<sup>th</sup> September, 2016 at 02.30 P.M.

Venue: Hall of The Mysore Association, 1<sup>st</sup> Floor, 393 Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai - 400 019.

### ii. Financial Calendar:

Financial Year 1<sup>st</sup> April 2016 to 31<sup>st</sup> March, 2017

*Quarterly Results (tentative):*

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 Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### iii. Date of Book closure: 17<sup>th</sup> September, 2016 to 28<sup>th</sup> September, 2016 (both days inclusive).

### iv. Dividend payment date:

Final Dividend on Equity shares, subject to the approval of Members at the ensuing Annual General Meeting, @ Rs.1.25 per fully paid equity share of Rs. 5/- each shall be paid on or before 28<sup>th</sup> October, 2016. Two Interim Dividends already paid during the year.

### v. Listing on Stock Exchanges:

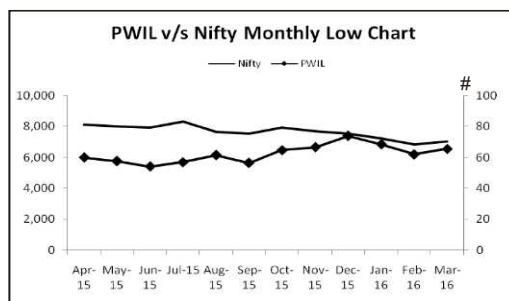
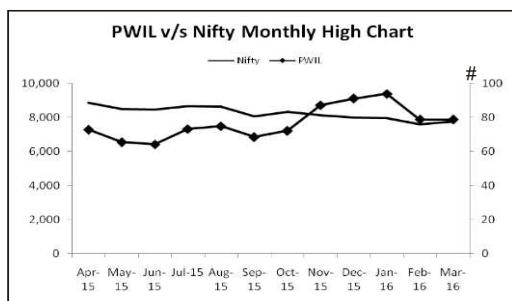
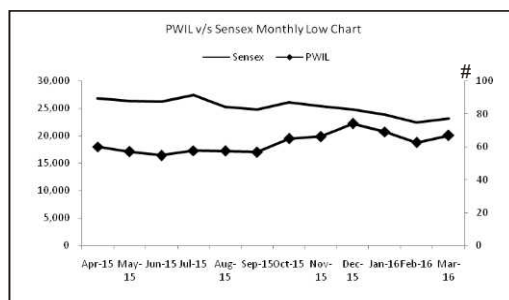
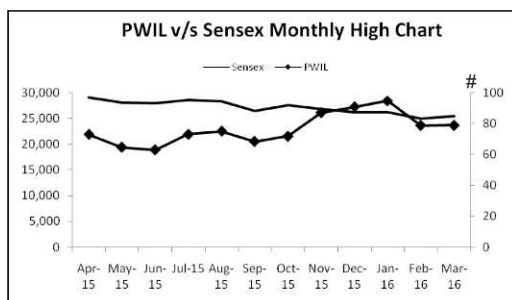
The Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2016-17. The Company's shares are regularly traded on the Bombay Stock Exchange Ltd. 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 2015-16:**

| Month & Year | PWIL @ BSE |        | SENSEX   |          | PWIL @ NSE |        | NIFTY   |         |
|--------------|------------|--------|----------|----------|------------|--------|---------|---------|
|              | High       | Low    | High     | Low      | High       | Low    | High    | Low     |
| Apr-15       | 146.00     | 120.00 | 29094.61 | 26897.54 | 145.55     | 120.00 | 8844.80 | 8144.75 |
| May-15       | 129.50     | 114.00 | 28071.16 | 26423.99 | 130.85     | 115.25 | 8489.55 | 7997.15 |
| Jun-15       | 125.90     | 109.60 | 27968.75 | 26307.07 | 128.40     | 108.05 | 8467.15 | 7940.30 |
| Jul-15       | 146.30     | 115.40 | 28578.33 | 27416.39 | 146.40     | 114.25 | 8654.75 | 8315.40 |
| Aug-15       | 150.00     | 115.00 | 28417.59 | 25298.42 | 149.75     | 123.10 | 8621.55 | 7667.25 |
| Sep-15       | 137.00     | 113.60 | 26471.82 | 24833.54 | 136.85     | 112.75 | 8055.00 | 7539.50 |
| Oct-15       | 143.80     | 130.00 | 27618.14 | 26168.71 | 144.25     | 129.70 | 8336.30 | 7930.65 |
| Nov-15       | 174.50     | 132.60 | 26824.30 | 25451.42 | 174.45     | 133.00 | 8116.10 | 7714.15 |
| Dec-15       | 181.80     | 148.20 | 26256.42 | 24867.73 | 182.00     | 148.00 | 7979.30 | 7551.05 |
| Jan-16       | 189.80     | 138.30 | 26197.27 | 23839.76 | 187.80     | 137.00 | 7972.55 | 7241.50 |
| Feb-16       | 157.60     | 125.30 | 25002.32 | 22494.61 | 157.50     | 124.00 | 7600.45 | 6825.80 |
| Mar-16*      | 152.00     | 69.00  | 25479.62 | 23133.18 | 152.95     | 69.00  | 7749.40 | 7035.10 |

\* The Members of the Company in the 26<sup>th</sup> AGM held on 28<sup>th</sup> August, 2015 approved the sub-division of each equity share of the Company having face value of Rs.10/- each into 2 (Two) equity shares of Rs. 5/- each.



# In order to make the price comparable, Company has adjusted the share price with effect from April 01, 2015 due to sub-division.

viii. **Registrar and Transfer Agents (RTA):****New RTA ( w.e.f. 1<sup>st</sup> June, 2016)**

Link Intime India Pvt Ltd,  
C/13 Pannalal Silk Mills Compound, L B S Marg,  
Bhandup West, Mumbai 400 078.  
Tel : 022-2594 6970 Fax: 022-2594 6969  
Email : rmt.helpdesk@linkintime.co.in

**Old RTA (upto 31<sup>st</sup> May, 2016)**

M/s. Sharepro Services (India) Private Ltd,  
Samhita Warehousing Complex,  
Warehouse No. 52 & 53, Plot No. 13AB,  
2<sup>nd</sup> Floor, Sakinaka, Mumbai 400 072.  
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 Stakeholders Relationship 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 31-03-2016:**

| No. of Shares |       | No. of Shareholders |               | No. of Shares   |               |
|---------------|-------|---------------------|---------------|-----------------|---------------|
| From          | To    | Number              | %             | Number          | %             |
| Less than 501 |       | 7369                | 79.33         | 1386517         | 6.00          |
| 501 -         | 1000  | 882                 | 9.50          | 706992          | 3.06          |
| 1001 -        | 2000  | 510                 | 5.49          | 831065          | 3.59          |
| 2001 -        | 3000  | 135                 | 1.45          | 347889          | 1.51          |
| 3001 -        | 4000  | 108                 | 1.16          | 387333          | 1.67          |
| 4001 -        | 5000  | 46                  | 0.49          | 213279          | 0.92          |
| 5001 -        | 10000 | 112                 | 1.21          | 810073          | 3.50          |
| 10001 & above |       | 127                 | 1.37          | 18444098        | 79.75         |
| <b>Total</b>  |       | <b>9289</b>         | <b>100.00</b> | <b>23127246</b> | <b>100.00</b> |

**Shareholding Pattern as on 31.03.2016:**

|   | <b>Number of Shares</b> | <b>%</b>      |
|---|-------------------------|---------------|
| Promoters & Promoter Group Shareholding | 13799566                | 59.67         |
| Public Shareholding                     | 9327680                 | 40.33         |
| <b>Total</b>                            | <b>23127246</b>         | <b>100.00</b> |

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, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and **Central Depository Services (India) Limited**, Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai 400 023, under ISIN No.INE372C01029, common for both. 96.13% of Company's Share Capital is dematerialised as on 31.03.2016.

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.

PALGHAR UNIT is located at Plot No. 44, Phase I, Genesis Industrial Complex, Kolgaon, Palghar, Dist. Palghar – 401404, Maharashtra

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](mailto:investorgrievances@pwil.net); [mumbai@pwil.net](mailto:mumbai@pwil.net).

**Mahendra R Mehta**  
Chairman & CEO

Mumbai  
Dated : 26<sup>th</sup> May, 2016

**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 as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

**Mahendra R. Mehta**  
Chairman & CEO.

Place: Mumbai,  
Dated: 26<sup>th</sup> May, 2016

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of  
**Precision Wires India Limited**

1. We have examined the compliance of conditions of Corporate Governance by Precision Wires India Limited, ("Company") for the year ended March 31, 2016, as stipulated in: Clause 49 of the Listing Agreements executed by the Company with the BSE Limited ("BSE") and the National Stock Exchange of India Ltd ("NSE") for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015; and as prescribed in regulations 17 to 27, 46(2) (b) to (i) and paragraphs C, D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations ("LODR") for the period from 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management and our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement/LODR.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S.R. DIVATIA & CO.**  
Chartered Accountants  
Firms Registration No. 102646W

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

Place : Mumbai  
Dated : 26<sup>th</sup> May, 2016

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

**PRECISION WIRES INDIA LIMITED**

Saiman House, J A Raul Street, Off Sayani Road,  
Prabhadevi, Mumbai 400025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRECISION WIRES INDIA LIMITED CIN NO. L31300MH1989PLC054356 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **presently (prohibition of Insider Trading) Regulations 2015.**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period); **presently (share based employees Benefits) Regulations 2014.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

- g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. Bonus Act, 1965
4. Payment of Wages Act
5. Provident Fund Act
6. Central Excise Act
7. Water (Prevention and Control of Pollution) Act, 1981
8. Air (Prevention and Control of Pollution) Act, 1974

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) **The securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015.** And the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** During the Audit period under review, the Company Sub-divided each fully paid up Equity Shares of Rs.10/- each into 2 (Two) Equity Shares of Rs.5/- each and the Shares Certificates were issued within the stipulated period of time under the Law.

**For Ragini Chokshi & Associates**

**Mrs. Ragini Chokshi**  
(Proprietor)

Place : Mumbai  
Dated : 25<sup>th</sup> April, 2016

C.P. No. 1436  
FCS No. 2390

---

**MANAGEMENT DISCUSSION & ANALYSIS**


---

**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. Though there are number of players in the Industry including many in SSI sector, due to quality of our products and long standing relationship with OEM customers, we continue to remain Industry-Leader. Despite adverse operational conditions prevailing in the country, we have performed well.

The overall capacity utilization of the Industry in the Country is stagnant. This is due to the sluggish demand from Electrical Equipment Manufacturing Sector which did not have adequate orders from Electric-Power-Sector and infrastructural projects. Both Industrial & economic structure of the Industry remains affected due to high Cost of input, inflation, substantial volatility in Forex. Your Company continues to cater to the OEM sector. Emphasis on export continues.

**b) Opportunities & Threats:**

As ours is a power-deficit country, massive investment in the power sector is likely to continue. Government has ambitious plans for increasing installed capacity for electric power generation rapidly. Constraints such as high cost of finance and availability of proper grade of fuel, improving electrical transmission and distribution network are on the fast track agenda of the Government. This will induce the growth in both Electrical Equipments / Capital goods Sector. Since your Company continuous to cater primarily to OEM Sector, the prospect for the Industry is good. As demand of electricity is substantially higher than production in our country, there is no other way, but to resort to faster growth by providing adequate resources, reorientation in the policy matters.

The living standard of the people in the country is generally improving so also the Industrial Development & combined effect thereof will anyhow, force the accelerated growth of Electric-Power Sector and consequently that of Electricity Equipment Manufacturing and Winding Wire Sector.

However, due to economic downturn at home for the last about 5 years, and inadequate availability of proper grade coal required, and high cost of fuel for thermal power generating Stations, implementation of such undertaking by large Private Sector firms was delayed. The Government has now given top priority to the Power sector. Imports of electrical equipment are high through FTA/PTA route, despite availability of capacity in domestic-manufacturing-sector. Lower commodity prices and oil prices have reduced the current account deficit of our country considerably.

Though the Government is seized of the issues, some genuine constraints for the time being exist. These factors may be temporarily non-conducive for the fast track growth but reorientation of policy is imminent. Ultimately increasing paucity of electric power in the country shall activate the reorientation in the policy. However, it may take some more time for economic activity to accelerate.

While the proposed GST is a good measure and we welcome the same, the 1% non-vatable inter-state tax proposed under the Draft Bill, if levied, will adversely affect all industries who have pan-India marketing operations. Intra-state and inter-state Jobwork transactions should also be exempted from the purview of GST, as done at present under CST/VAT rules.

Substitution of copper by aluminum, in small rotating and static electrical equipments is increasing.

Operating conditions, during next two years may pose interesting challenges and competition may continue to be intense; however, we are well equipped to face the same, due to our low debt-gearing and experience in the industry.

**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. Despite adverse operating condition, we have maintained and marginally increased production levels. Sale income is marginally lower due to a fall in the rate of our primary input. Profit during the year under review has improved.

Our emphasis on export continues. Our insulating varnish division at Palej continues to operate satisfactorily and provides important contribution to the quality of our finished product

**d) Outlook:**

Long Term outlook of the Indian Economy, and consequently, electric-power-sector is healthy.

**e) Risks and concerns:**

Please refer to foregoing paragraphs.

**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):**

Reserve and surplus (excluding revaluation) increased to 18315 [17528].

Debt / Equity ratio 0.15.

Subject to the approval by Members at the ensuing AGM, total Dividend declared is Rs. 5.25 i.e. 65% on each Fully paid equity share. The original face value of the share of Rs. 10 was split and therefore the revised face value of the share is Rs. 5 with effect from 23<sup>rd</sup> March, 2016

During the year under review, Our Production increased by approx. 9%. Gross Revenue from operations decreased marginally due to lower price of primary input.

Finance cost 1112 [1422], Depreciation and amortization expenses 1577 [1959], were lower.

Other expenses are 941 [910]. Repairs and Maintenance 664 [559].

Employees Benefit Expense were higher at 1746 [1552] due to full-year impact of the wage Agreement revised last year. These include contribution to provident fund and bonus etc.

Short term borrowing 2779 [3463], Trade payables 10706 [10756], other current liabilities 1578 [1725] and Short term provision 551 [432].

Your Company's financial performance is satisfactory and profit during the year is higher.

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 have been concluded.

**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 : 26<sup>th</sup> May, 2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Precision Wires India Limited**

### 1. Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Precision Wires India Ltd.** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act hereinafter referred to as the "Order", and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, 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 it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operational effectiveness of such Controls, refer to our separate report in Annexure "B"
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements.
  - (ii) the Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2016.

### FOR S.R. DIVATIA & CO.

Chartered Accountants  
Firms Registration No. 102646W

**Shalin S. Divatia**

Partner  
Membership No. 39755  
Mumbai,  
Dated: 26<sup>th</sup> May, 2016

## INDEPENDENT AUDITOR'S REPORT

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 5 of the independent Auditors' Report or even date to the members of **Precision Wires India Ltd.** on the standalone financial statements for the year ended March 31, 2016.

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and we are informed that no material discrepancies have been noticed on such verification.
- c) The title deeds of immovable properties, as disclosed in Note 11 on Fixed Assets to the financial statements, are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the years except in respect of inventories of returnable plastic spools laying with customers. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Act.
- b) As the Company has not granted any loans, secured or unsecured, to parties referred to in para (a) above, clause iii (a) of paragraph 4 of the Order is not applicable in this respect.
- c) As the Company has not granted any loans, secured or unsecured, to parties referred to in para (a) above, clause iii (b) of paragraph 4 of the Order is not applicable in this respect.
- d) As the Company has not granted any loans, secured or unsecured, to parties referred to in para (a) above, clause iii(c) of paragraph 4 of the Order is not applicable in this respect.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the Rules framed thereunder. Hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, are not applicable to the Company. According to the information and explanations given to us, no order under the aforesaid sections has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of sales tax including value added tax, provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, cess and other material

statutory dues, as applicable, with the appropriate authorities.

- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax including value added tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of the Statute | Nature of Dues | Amount (Rs.) | Period to which the Amount relates | Forum where dispute is pending |
|---------------------|----------------|--------------|------------------------------------|--------------------------------|
| Central Excise Act  | Excise Duty    | 4,55,000/-   | 1983-1984                          | CESTAT, Delhi                  |
| Central Excise Act  | Excise Duty    | 5,00,000/-   | 2004-2005<br>2005-2006             | CESTAT, Ahmedabad              |

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. No moneys were raised by way of initial public offer or further public offer (including debt instruments).
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provision of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

## FOR S.R. DIVATIA &amp; CO.

Chartered Accountants

Firms Registration No. 102646W

**Shalin S. Divatia**

Partner

Membership No. 39755

Mumbai

Dated 26<sup>th</sup> May, 2016

---

**INDEPENDENT AUDITOR'S REPORT**

---

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 10 (g) of the Independent Auditor's Report of even date to the members of Precision Wires India Limited on the standalone financial statements for the year ended March 31, 2016.

**Report on the Internal Financial Controls under Clauses (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Precision Wires India Limited ("the Company") as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures and expenditures of the company are being made only accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR S.R. DIVATIA & CO.**

Chartered Accountants  
Firms Registration No. 102646W

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

Mumbai  
Dated 26<sup>th</sup> May, 2016

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

|  | Note | Rupees         | As at<br>31/03/2016<br>Rupees | Rupees         | As at<br>31/03/2015<br>Rupees |
|--|------|----------------|-------------------------------|----------------|-------------------------------|
| <b><u>EQUITY AND LIABILITIES</u></b>                         |      |                |                               |                |                               |
| <b>SHAREHOLDERS' FUNDS</b>                                   |      |                |                               |                |                               |
| Share Capital  | 1    | 11,56,44,230   |                               | 11,56,44,230   |                               |
| Reserves and Surplus   | 2    | 1,83,24,09,520 |                               | 1,75,28,49,265 |                               |
|  |      |                | <b>1,94,80,53,750</b>         |                | <b>1,86,84,93,495</b>         |
| <b>NON-CURRENT LIABILITIES</b>                               |      |                |                               |                |                               |
| Deferred Tax Liabilities (Net)                               | 3    | 4,14,31,555    |                               | 5,61,36,507    |                               |
| Long-Term Provisions   | 4    | 1,62,19,619    |                               | 1,37,25,003    |                               |
|  |      |                | <b>5,76,51,174</b>            |                | <b>6,98,61,510</b>            |
| <b>CURRENT LIABILITIES</b>                                   |      |                |                               |                |                               |
| Short-Term Borrowings  | 5    | 27,79,49,880   |                               | 34,62,52,125   |                               |
| Trade Payables   | 6    | 1,07,06,39,641 |                               | 1,07,55,76,518 |                               |
| Other Current Liabilities                                    | 7    | 15,77,51,225   |                               | 17,24,53,425   |                               |
| Short-Term Liabilities                                       | 8    | 1,00,000       |                               | 1,00,000       |                               |
| Short-Term Provisions  | 9    | 5,50,97,766    |                               | 4,32,03,362    |                               |
|  |      |                | <b>1,56,15,38,512</b>         |                | <b>1,63,75,85,430</b>         |
| <b>TOTAL</b>   |      |                | <b>3,56,72,43,436</b>         |                | <b>3,57,59,40,435</b>         |
| <b><u>ASSETS</u></b>   |      |                |                               |                |                               |
| <b>NON-CURRENT ASSETS</b>                                    |      |                |                               |                |                               |
| Fixed Assets   | 10   |                |                               |                |                               |
| Tangible Assets  |      | 79,13,96,536   |                               | 85,38,24,206   |                               |
| Intangible Assets  |      | 1,14,56,310    |                               | 1,46,49,259    |                               |
| Capital Work-in-Progress                                     |      | 11,94,15,639   |                               | 2,76,90,420    |                               |
|  |      |                | <b>92,22,68,485</b>           |                | <b>89,61,63,885</b>           |
| Non-Current Investments                                      | 11   | 1,85,64,622    |                               | 13,522         |                               |
| Other Non-Current Assets                                     | 12   | 62,78,247      |                               | 63,39,843      |                               |
|  |      |                | <b>2,48,42,869</b>            |                | <b>63,53,365</b>              |
| <b>CURRENT ASSETS</b>  |      |                |                               |                |                               |
| Inventories  | 13   | 97,44,49,836   |                               | 95,26,49,142   |                               |
| Trade Receivables  | 14   | 1,35,00,63,984 |                               | 1,37,50,10,300 |                               |
| Cash and Cash-equivalents                                    | 15   | 17,06,07,540   |                               | 18,19,80,579   |                               |
| Short Term Loans and Advances                                | 16   | 9,80,18,480    |                               | 11,38,62,917   |                               |
| Other Current Assets   | 17   | 2,69,92,242    |                               | 4,99,20,247    |                               |
|  |      |                | <b>2,62,01,32,082</b>         |                | <b>2,67,34,23,185</b>         |
| <b>TOTAL</b>   |      |                | <b>3,56,72,43,436</b>         |                | <b>3,57,59,40,435</b>         |
| <b>Significant Accounting Policies and Notes on Accounts</b> | 25   |                |                               |                |                               |

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 : 26<sup>th</sup> May, 2016

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Nishthi H. Dharmani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

# **PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

|  | Note | 2015/16<br>Rupees     | 2014/15<br>Rupees     |
|--|------|-----------------------|-----------------------|
| <b>INCOME</b>  |      |                       |                       |
| Revenue from Operations (Gross)  | 18   | 9,73,09,65,051        | 10,17,38,04,050       |
| Less : Excise Duty   |      | (1,29,61,04,265)      | (1,36,60,58,599)      |
| Revenue from Operations (Net)  |      | 8,43,48,60,786        | 8,80,77,45,451        |
| Other Income   | 19   | 1,61,09,621           | 3,24,66,547           |
| <b>TOTAL REVENUE</b>   |      | <b>8,45,09,70,407</b> | <b>8,84,02,11,998</b> |
| <b>EXPENSES</b>  |      |                       |                       |
| Cost of Raw Material consumed  | 20   | 7,12,99,85,193        | 7,58,67,26,754        |
| Purchase of Stock-in-Trade   |      | 20,47,746             | 9,13,838              |
| Changes in inventories of Finished Goods,<br>Work-in-progress and Stock-in-Trade | 21   | (1,18,01,081)         | (2,05,30,127)         |
| Employee Benefits Expense  | 22   | 17,46,26,047          | 15,51,52,445          |
| Finance Cost   | 23   | 11,12,10,351          | 14,21,88,849          |
| Depreciation & Amortisation Expenses   | 10   | 15,77,38,488          | 19,59,02,688          |
| Other Expenses   | 24   | 62,11,97,111          | 61,20,50,320          |
| <b>TOTAL</b>   |      | <b>8,18,50,03,855</b> | <b>8,67,24,04,767</b> |
| <b>Profit before Exceptional &amp; Extraordinary Items and Taxes</b>             |      | <b>26,59,66,552</b>   | <b>16,78,07,231</b>   |
| Exceptional and Extraordinary Item   |      | —                     | —                     |
| <b>Profit before Taxes</b>   |      | <b>26,59,66,552</b>   | <b>16,78,07,231</b>   |
| <b>Tax Expenses :</b>  |      |                       |                       |
| <b>Current Tax :</b>   |      |                       |                       |
| Provision for Income Tax   |      | (11,04,00,000)        | (8,77,00,000)         |
| Provision for Wealth Tax   |      | —                     | (36,000)              |
|  |      | <b>(11,04,00,000)</b> | <b>(8,77,36,000)</b>  |
| Provision for Deferred Tax   |      | 1,47,04,852           | 2,92,88,290           |
| Income Tax Adjustments in respect of earlier year                                |      | 25,390                | (83,20,704)           |
| <b>Profit / (Loss) after Taxes</b>   |      | <b>17,02,96,794</b>   | <b>10,10,38,817</b>   |
| Earnings per Share of Rs. 5/- (Rs. 10/-) each                                    |      |                       |                       |
| Basic & Diluted EPS before Extra Ordinary Items                                  |      | 7.36                  | 8.74                  |
| Basic & Diluted EPS after Extra Ordinary Items<br>(Refer Clause B-11 of Note 25) |      | 7.36                  | 8.74                  |
| <b>Significant Accounting Policies and<br/>Notes on Accounts</b>                 |      |                       |                       |
|  | 25   |                       |                       |

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 : 26<sup>th</sup> May, 2016

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Nishthi H. Dharmani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2016**

|  | Rupees in Lacs    |                   |
|--|-------------------|-------------------|
|  | 31/03/2016        | 31/03/2015        |
| <b>A. Cash Flow From Operating Activities</b>                            |                   |                   |
| <b>Net Profit before tax and extraordinary items</b>                     | 2,659.67          | 1,678.07          |
| <b>Add / (Deduct) : Adjustments for</b>                                  |                   |                   |
| a) Financial Charges   | 1,112.10          | 1,421.89          |
| b) Depreciation (net)  | 1,577.38          | 1,959.03          |
| c) Insurance Spares issued   | 8.07              | (3.83)            |
| d) (Profit)/Loss on sale of assets                                       | (0.68)            | 4.82              |
| e) Hedging Reserve Income  | (2.71)            | (9.58)            |
| f) Bad Debts/Other Losses/ Rebate W/off                                  | 68.40             | (28.38)           |
| g) Gratuity Payment  | 11.12             | —                 |
| h) Income from investments   | —                 | (12.67)           |
| g) Insurance Claim w/off   | —                 | —                 |
|  | <u>2,773.68</u>   | <u>3,331.28</u>   |
| <b>Operating Profit before working capital changes</b>                   | <b>5,433.35</b>   | <b>5,009.35</b>   |
| <b>Add / (Deduct) Adjustments for :</b>                                  |                   |                   |
| Trade and Other Receivables  | 181.09            | 4,849.79          |
| Inventories  | (217.98)          | (1,984.23)        |
| Trade and Other Payables   | (175.90)          | (3,807.63)        |
| Other Current Assets   | <u>229.28</u>     | <u>(205.32)</u>   |
|  | <u>16.49</u>      | <u>(1,147.39)</u> |
| <b>Cash generated from operations</b>                                    | <b>5,449.84</b>   | <b>3,861.96</b>   |
| Direct Taxes paid (net of refunds)                                       | <u>(980.82)</u>   | <u>(643.48)</u>   |
| <b>Cash flow before extraordinary items</b>                              | <b>4,469.02</b>   | <b>3,218.48</b>   |
| Extraordinary items  | <u>—</u>          | <u>—</u>          |
| <b>Net cash from operating activities</b>                                | <b>4,469.02</b>   | <b>3,218.48</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)</b>       |                   |                   |
| Purchase of fixed assets (including Capital Work in Progress)            | (1,848.15)        | (786.71)          |
| Proceeds from Sale of Fixed assets                                       | 1.66              | 6.92              |
| Proceeds from Sale of Investment   | —                 | 1,600.00          |
| Purchase of Investment   | (185.51)          | (1,600.00)        |
| Loans and Advances / Other Non-Current Assets                            | 147.33            | 292.91            |
| Deposits Given / REDEEMED  | 0.62              | (3.03)            |
| Income from Investments  | <u>—</u>          | <u>12.67</u>      |
| <b>Net cash generated / (used) in investing activities</b>               | <b>(1,884.05)</b> | <b>(477.24)</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                   |                   |
| Proceeds from Short Term Borrowings                                      | (683.03)          | (1,161.08)        |
| Proceeds from Long Term Borrowings                                       | —                 | (305.05)          |
| Financial Charges Paid   | (1,112.10)        | (1,421.89)        |
| Dividends paid   | <u>(903.56)</u>   | <u>(693.47)</u>   |
| <b>Net cash generated / (used) in financing activities</b>               | <b>(2,698.69)</b> | <b>(3,581.49)</b> |
| <b>Net increase / (decrease) in cash equivalents</b>                     | <b>(113.72)</b>   | <b>(840.25)</b>   |
| <b>Cash and cash equivalents as at 1<sup>st</sup> April</b>              | <b>1,819.80</b>   | <b>2,660.05</b>   |
| <b>[Includes Balances in Dividend Account Rs. 53.48 (Rs.49.24) lacs]</b> |                   |                   |
| <b>Cash and cash equivalents as at 31<sup>st</sup> March</b>             | <b>1,706.08</b>   | <b>1,819.80</b>   |
| <b>[Includes Balances in Dividend Account Rs.59.74 (Rs.53.48) lacs]</b>  |                   |                   |

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 : 26<sup>th</sup> May, 2016

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Nishthi H. Dharmani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

## NOTES TO BALANCE SHEET

|  | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|--|-------------------------------|-------------------------------|
| <b>NOTE 1 : SHARE CAPITAL</b>  |                               |                               |
| <b>AUTHORISED :</b>  |                               |                               |
| 2,40,00,000 (1,20,00,000) Equity Shares of Rs.5/- (10/-) each.       | 12,00,00,000                  | 12,00,00,000                  |
| 30,00,000 (30,00,000) Unclassified Shares of Rs.10/- (10/-) each.    | 3,00,00,000                   | 3,00,00,000                   |
|  | <b>15,00,00,000</b>           | <b>15,00,00,000</b>           |
| <b>ISSUED :</b>  |                               |                               |
| 2,31,30,446 (1,15,65,223) Equity shares of Rs.5/- (10/-) each.       | 11,56,52,230                  | 11,56,52,230                  |
| <b>SUBSCRIBED AND PAID-UP:</b>                                       |                               |                               |
| 2,31,27,246 (1,15,63,623) shares of Rs.5/- (10/-) each fully paid-up | 11,56,36,230                  | 11,56,36,230                  |
| Add : Forfeiture of 3,200 (1,600)                                    |                               |                               |
| Equity shares (Amount originally paid-up)                            | 8,000                         | 8,000                         |
| <b>TOTAL</b>   | <b>11,56,44,230</b>           | <b>11,56,44,230</b>           |

## 1.1 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder                        | As at 31 <sup>st</sup> March, 2016 @ Rs.5/- per share | As at 31 <sup>st</sup> March, 2015 @ Rs.10/- per share |
|--|---|--|
|  | No. of Shares held                                    | No. of Shares held                                     |
| Galvawire Agencies Pvt. Ltd.                   | 34,69,336   | 17,34,668  |
| Mr. Mahendra R. Mehta                          | 47,22,350   | 15,48,621  |
| Mrs. Sharda M. Mehta                           | —   | 8,12,554   |
| Mr. Milan M. Mehta (including as Karta of HUF) | 15,75,896   | 7,87,948   |
|  | % held  | % held   |
|  | 15.00   | 15.00  |
|  | 20.42   | 13.39  |
|  | —   | 7.03   |
|  | 6.82  | 6.82   |

## 1.2 The reconciliation of the number of shares outstanding is set out below :

| Particulars                                | As at 31 <sup>st</sup> March, 2016 | As at 31 <sup>st</sup> March, 2015 |
|--|------------------------------------|------------------------------------|
|  | No. of Shares held                 | No. of Shares held                 |
| Equity Shares at the beginning of the year | 1,15,63,623                        | 1,15,63,623                        |
| Equity Shares at the end of the year **    | 2,31,27,246                        | 1,15,63,623                        |

\*\* During the year under review each Equity Share of the face value of Rs. 10/- each fully paid up was split into Two Equity Shares of Face Value of Rs. 5/- each.

## NOTE 2 : RESERVES AND SURPLUS

|   |                       |                       |
|---|-----------------------|-----------------------|
| (a) Central and State Government Subsidies            |                       |                       |
| Balance as per last Balance Sheet                     | 20,00,000             | 20,00,000             |
| (b) Capital Redemption Reserve                        |                       |                       |
| Balance as per last Balance Sheet                     | 1,16,98,500           | 1,16,98,500           |
| (c) Share Premium                                     |                       |                       |
| Balance as per last Balance Sheet                     | 18,38,65,000          | 18,38,65,000          |
| (d) Hedging Reserve                                   |                       |                       |
| Balance as per last Balance Sheet                     | 2,71,387              | (12,28,921)           |
| Add : Effect of Foreign Exchange Rate Variation on    |                       |                       |
| Hedging Instruments outstanding at the year end       | —                     | 2,71,387              |
| Less : Amount transferred to Statement of             |                       |                       |
| Profit & Loss Account                                 | (2,71,387)            | 12,28,921             |
|   | —                     | 2,71,387              |
| (e) General Reserve :                                 |                       |                       |
| Balance as per last Balance Sheet                     | 1,53,36,50,070        | 1,69,50,00,000        |
| Less : Additional Depreciation [net of tax Rs. Nil    | —                     | (18,63,49,930)        |
| (Rs. 9,41,66,109/-)] pursuant to enactment            |                       |                       |
| of Schedule II of the Companies Act, 2013 /           |                       |                       |
| change in useful life of Fixed Assets                 |                       |                       |
| Add : Transfer from Profit and Loss Account           | 7,50,00,000           | 2,50,00,000           |
|   | 1,60,86,50,070        | 1,53,36,50,070        |
| (f) Surplus in Statement of Profit and Loss Account : |                       |                       |
| Balance as per last Balance Sheet                     | 2,13,64,308           | 2,16,38,431           |
| Add : Net Profit after tax for the year               | 17,02,96,794          | 10,10,38,817          |
| Less : Transfer to General Reserve                    | (7,50,00,000)         | (2,50,00,000)         |
| Interim Dividend [@ Rs.4/- (Rs.3/-) per               |                       |                       |
| Equity Share] On Face Value of Rs. 10/- each          | (4,62,54,493)         | (3,46,90,869)         |
| Corporate Tax on Interim Dividend                     | (94,16,295)           | (69,36,109)           |
| Provision for :                                       |                       |                       |
| Final Dividend [@ Rs.1.25 (Rs.2.50) per               | (2,89,09,058)         | (2,89,09,057)         |
| Equity Share of Rs. 5/- (Rs.10/- each)]               |                       |                       |
| Corporate Tax on Final Dividend                       | (58,85,306)           | (57,76,905)           |
|   | 2,61,95,950           | 2,13,64,308           |
| <b>TOTAL</b>  | <b>1,83,24,09,520</b> | <b>1,75,28,49,265</b> |

## NOTES TO BALANCE SHEET

|  | As at<br>31/03/2016<br>Rupees             | As at<br>31/03/2015<br>Rupees |
|--|---|-------------------------------|
| <b>NOTE 3 : DEFERRED TAX LIABILITY (NET)</b>   |   |                               |
| Deferred Tax Liability arising on account of Depreciation  | 4,83,41,118                               | 6,22,55,028                   |
|  | <u>4,83,41,118</u>                        | <u>6,22,55,028</u>            |
| LESS :   |   |                               |
| Deferred Tax Assets arising on account of:   |   |                               |
| Unamortized / Unpaid Expenditure   | (39,762)                                  | (39,052)                      |
| Retirement benefits  | (68,69,801)                               | (60,79,469)                   |
|  | <u>(69,09,563)</u>                        | <u>(61,18,521)</u>            |
| <b>TOTAL</b>   | <u><b>4,14,31,555</b></u>                 | <u><b>5,61,36,507</b></u>     |
| <b>NOTE 4 : LONG-TERM PROVISIONS</b>   |   |                               |
| Provision for Gratuity payable   | 1,62,19,619                               | 1,37,25,003                   |
| <b>TOTAL</b>   | <u><b>1,62,19,619</b></u>                 | <u><b>1,37,25,003</b></u>     |
| <b>NOTE 5 : SHORT-TERM BORROWINGS</b>  |   |                               |
| <b>Secured :</b>   |   |                               |
| Buyers Credit in Foreign Currency (from Bank)  | 4,83,93,959                               | 21,46,68,088                  |
| Working Capital Borrowings (from Bank)   | 2,98,08,010                               | 6,54,13,566                   |
| <b>Unsecured :-</b>  |   |                               |
| Buyers Credit in Foreign Currency (from Bank)  | 19,97,47,911                              | 6,61,70,471                   |
| <b>TOTAL</b>   | <u><b>27,79,49,880</b></u>                | <u><b>34,62,52,125</b></u>    |
|  | (Refer Clause B-3(a) and 3(b) of Note 25) |                               |
| <b>NOTE 6 : TRADE PAYABLES</b>   |   |                               |
| Sundry Creditors   |   | 4,61,239                      |
| Micro / Small and medium scale industrial undertakings   | 1,23,31,587                               |                               |
| Others   | 1,05,83,08,054                            | 1,07,51,15,279                |
| <b>TOTAL</b>   | <u><b>1,07,06,39,641</b></u>              | <u><b>1,07,55,76,518</b></u>  |
| <b>NOTE 7 : OTHER CURRENT LIABILITIES</b>  |   |                               |
| Current maturities of Long Term Debts  | —   | 3,05,04,541                   |
| Unclaimed Dividend *   | 59,73,889                                 | 53,48,437                     |
| Creditors for Capital Expenditure  | 368,12,488                                | 32,79,950                     |
| Other Liabilities  |   |                               |
| Statutory Liabilities  | 3,36,77,546                               | 3,42,90,503                   |
| Advance received from Customers  | 3,18,06,522                               | 5,69,37,662                   |
| Other Payables   | 4,94,80,780                               | 4,20,92,332                   |
|  | <u>11,49,64,848</u>                       | <u>13,33,20,497</u>           |
| <b>TOTAL</b>   | <u><b>15,77,51,225</b></u>                | <u><b>17,24,53,425</b></u>    |
| * There is no amount, due and outstanding, to be credited to the Investor Education and Protection Fund. |   |                               |
| <b>NOTE 8 : SHORT-TERM LIABILITIES</b>   |   |                               |
| Security Deposits  | 1,00,000                                  | 1,00,000                      |
| <b>TOTAL</b>   | <u><b>1,00,000</b></u>                    | <u><b>1,00,000</b></u>        |
| <b>NOTE 9 : SHORT-TERM PROVISIONS</b>  |   |                               |
| Provision for Leave Encashment   | 36,30,707                                 | 41,61,146                     |
| Provision for Income Tax   | 1,66,72,695                               | 43,20,254                     |
| Provision for Wealth Tax   | —   | 36,000                        |
| Proposed Dividend  | 2,89,09,058                               | 2,89,09,057                   |
| Provision for Corporate Tax on Dividend  | 58,85,306                                 | 57,76,905                     |
| <b>TOTAL</b>   | <u><b>5,50,97,766</b></u>                 | <u><b>4,32,03,362</b></u>     |

## NOTES TO BALANCE SHEET

## NOTE 10 : FIXED ASSETS

| PARTICULARS   | GROSS BLOCK         |               |                            |                     | DEPRECIATION       |                 |                            |                                   | NET BLOCK          |                     |                     |
|---|---------------------|---------------|----------------------------|---------------------|--------------------|-----------------|----------------------------|-----------------------------------|--------------------|---------------------|---------------------|
|   | As at<br>01.04.2015 | Additions     | Deductions /<br>Adjustment | As at<br>31.03.2016 | Upto<br>31.03.2015 | For the<br>Year | Deductions /<br>Adjustment | Transfer to<br>General<br>Reserve | Upto<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
|   | Rs.                 | Rs.           | Rs.                        | Rs.                 | Rs.                | Rs.             | Rs.                        | Rs.                               | Rs.                | Rs.                 | Rs.                 |
| 1) Tangible Assets :  |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
| Land - Free Hold  | 2,39,96,417         | -             | -                          | 2,39,96,417         | -                  | -               | -                          | -                                 | -                  | 2,39,96,417         | 2,39,96,417         |
| Buildings *   | 33,92,55,266        | 19,29,787     | -                          | 34,11,85,053        | 10,21,78,653       | 1,08,57,412     | -                          | -                                 | 11,30,36,065       | 22,81,48,988        | 23,70,76,613        |
| Plant and Machinery   | 1,94,74,16,466      | 8,72,98,600   | (10,82,098)                | 2,03,36,32,968      | 1,36,84,20,643     | 13,84,99,353    | (2,75,947)                 | -                                 | 1,50,66,44,049     | 52,69,88,919        | 57,89,95,823        |
| Vehicles  | 1,30,65,859         | 22,17,000     | (5,63,985)                 | 1,47,18,874         | 71,38,574          | 14,25,652       | (4,00,902)                 | -                                 | 81,63,324          | 65,55,550           | 59,27,285           |
| Office Equipments   | 4,04,89,920         | 16,20,816     | -                          | 4,21,10,736         | 3,43,74,576        | 30,53,997       | -                          | -                                 | 3,74,28,573        | 46,82,163           | 61,15,344           |
| Furniture and Fixtures  | 2,40,10,997         | 20,900        | -                          | 24,03,1897          | 2,22,98,273        | 7,09,125        | -                          | -                                 | 2,30,07,398        | 10,24,499           | 17,12,724           |
|   | 2,38,82,34,925      | 9,30,87,103   | (16,46,083)                | 2,47,96,75,945      | 1,53,44,10,719     | 15,45,45,539    | (6,76,849)                 | -                                 | 1,68,82,79,409     | 79,13,96,536        | 85,38,24,206        |
| 2) Intangible Assets :  |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
| Technology Transfer Cost  | 13,29,65,064        | -             | -                          | 13,29,65,064        | 11,83,15,805       | 31,92,949       | -                          | -                                 | 12,15,08,754       | 1,14,56,310         | 1,46,49,259         |
|   | 13,29,65,064        | -             | -                          | 13,29,65,064        | 11,83,15,805       | 31,92,949       | -                          | -                                 | 12,15,08,754       | 1,14,56,310         | 1,46,49,259         |
| TOTAL   | 2,52,11,99,989      | 9,30,87,103   | (16,46,083)                | 2,61,26,41,009      | 1,65,27,26,524     | 15,77,38,488    | (6,76,849)                 | -                                 | 1,80,97,88,163     | 80,28,52,846        | 86,84,73,465        |
| Previous Year   | 2,44,80,01,221      | (7,76,67,196) | (44,68,428)                | (2,52,11,99,989)    | (1,17,93,73,474)   | (19,59,02,688)  | (1,77,362)                 | (27,76,27,724)                    | (1,65,27,26,524)   | (86,84,73,465)      | (1,26,86,27,747)    |
| 3) Capital Work in Progress (Including Advances on Capital Account) ..... |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
|   |                     |               |                            |                     |                    |                 |                            |                                   |                    | 11,94,15,639        | 2,76,90,420         |
|   |                     |               |                            |                     |                    |                 |                            |                                   |                    | 92,22,68,485        | 89,61,63,885        |

\* Gross Block of Building includes Rs. 1,16,49,377/- (Rs. 1,16,49,377/-) being the cost of Residential Flats for employees at Palej / Silvassa  
\* Excluding cost of Shares held in Co-operative Housing Society disclosed under Investments.

## NOTES TO BALANCE SHEET

|   | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|---|-------------------------------|-------------------------------|
| <b>NOTE 11 : NON-CURRENT INVESTMENTS</b>  |                               |                               |
| (Long Term, other than Trade Investments, at cost, unless otherwise stated)   |                               |                               |
| LONG TERM:  |                               |                               |
| UNQUOTED  |                               |                               |
| Government Securities -<br>6 years National Savings Certificates<br>(deposited with Government Authorities)   | 6,000                         | 6,000                         |
| Investments in Associates :   |                               |                               |
| 530000 (NIL) Equity Shares of Rs. 10/- each of<br>New Gen Wires & Coils Pvt. Ltd. fully paid at<br>Premium of Rs. 25/- per Share<br>– (includes Rs. 1,41,21,530/- of Goodwill arising<br>on acquisition of Associate) | 1,85,50,000                   | –                             |
| Other Investments :   |                               |                               |
| 100 (100) Equity Shares of Rs. 10/- each of<br>Mogaveera Co-Op Bank Ltd, fully paid   | 1,000                         | 1,000                         |
| 100 (100) Equity Shares of Rs. 10/- each of<br>Jankalyan Co-Op Bank Ltd, fully paid   | 1,000                         | 1,000                         |
| 110 (110) Equity Shares of Rs. 50/- each of<br>Basera Co-Op Hsg. Soc. Ltd, fully paid<br>(Relating to Residential Flats owned by the<br>Company and shown under the Note 10 - Fixed Assets)                           | 5,522                         | 5,522                         |
| 40 (NIL) Equity Shares of Rs.25/- each of<br>Vasai Vikas Sahakari Bank Ltd  | 1,100                         | –                             |
|   | 8,622                         | 7,522                         |
| <b>TOTAL</b>  | <b>1,85,64,622</b>            | <b>13,522</b>                 |
| <b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>   |                               |                               |
| Security Deposits   | 62,78,247                     | 63,39,843                     |
| <b>TOTAL</b>  | <b>62,78,247</b>              | <b>63,39,843</b>              |
| <b>NOTE 13 : INVENTORIES</b>  |                               |                               |
| INVENTORIES (At lower of cost or net realisable value)  |                               |                               |
| Raw Materials in Transit  | 15,25,42,060                  | 21,06,34,438                  |
| Raw Materials   | 19,07,58,470                  | 12,65,17,196                  |
| Work in Progress  | 27,05,14,292                  | 24,65,72,140                  |
| Finished Goods  | 26,23,15,269                  | 28,19,59,244                  |
| Stores, Spares and Consumables  | 6,84,90,441                   | 6,40,52,842                   |
| Reels and Packing Material  | 2,06,24,153                   | 1,95,89,269                   |
| Copper Scrap  | 92,05,151                     | 33,24,013                     |
| <b>TOTAL</b>  | <b>97,44,49,836</b>           | <b>95,26,49,142</b>           |
| <b>NOTE 14 : TRADE RECEIVABLES</b>  |                               |                               |
| (Unsecured, Considered Good)  |                               |                               |
| Outstanding overdue for a period exceeding six months   | 52,21,683                     | 1,57,30,343                   |
| Others  | 1,34,48,42,301                | 1,35,92,79,957                |
| <b>TOTAL</b>  | <b>1,35,00,63,984</b>         | <b>1,37,50,10,300</b>         |

---

NOTES TO BALANCE SHEET

---

|  | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|--|-------------------------------|-------------------------------|
| <b>NOTE 15 : CASH AND CASH - EQUIVALENTS</b>                           |                               |                               |
| Balances with Banks  |                               |                               |
| – In Current Accounts  | 16,38,92,404                  | 17,54,17,735                  |
| – In Term Deposits (under lien with Government Authorities)            | 1,17,000                      | 92,000                        |
| Cheques in hand  | 6,550                         | 6,04,014                      |
| Cash on hand   | 6,17,694                      | 5,18,391                      |
| Balance in unpaid Dividend Accounts                                    | 59,73,892                     | 53,48,439                     |
| <b>TOTAL</b>   | <b>17,06,07,540</b>           | <b>18,19,80,579</b>           |
| <b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>                         |                               |                               |
| LOANS AND ADVANCES<br>(Unsecured, considered good)                     |                               |                               |
| Advances Recoverable in Cash or<br>in kind or for value to be received | 5,64,85,262                   | 4,72,02,671                   |
| Balance with Customs and Central Excise Authorities                    | 4,15,33,218                   | 6,66,60,246                   |
| <b>TOTAL</b>   | <b>9,80,18,480</b>            | <b>11,38,62,917</b>           |
| <b>NOTE 17 : OTHER CURRENT ASSETS</b>                                  |                               |                               |
| Export benefits accrued  | 2,69,92,242                   | 4,99,20,247                   |
| <b>TOTAL</b>   | <b>2,69,92,242</b>            | <b>4,99,20,247</b>            |

## NOTES TO PROFIT AND LOSS STATEMENT

|  | 2015/16<br>Rupees     | 2014/15<br>Rupees      |
|--|-----------------------|------------------------|
| <b>NOTE 18 : REVENUE FROM OPERATIONS (GROSS)</b>   |                       |                        |
| Sale and Processing Income of Products   |                       |                        |
| Finished Goods (Own + Jobwork)   | 9,21,56,33,089        | 9,62,26,84,457         |
| Traded Goods   | 37,52,237             | 91,26,774              |
| Other Operating Revenue  |                       |                        |
| Scrap Sales  | 50,84,51,011          | 53,93,88,289           |
| Other Sales  | 31,28,714             | 26,04,530              |
| <b>Revenue from Operations (gross)</b>   | <b>9,73,09,65,051</b> | <b>10,17,38,04,050</b> |
| <b>NOTE 19 : OTHER INCOME</b>  |                       |                        |
| Interest   | 37,11,476             | 89,94,286              |
| Miscellaneous Receipts   | 1,23,30,117           | 2,22,04,778            |
| Profit on sale of asset (Net)  | 68,028                | —                      |
| Profit on sale of investment (Net)   | —                     | 12,67,483              |
| <b>TOTAL</b>   | <b>1,61,09,621</b>    | <b>3,24,66,547</b>     |
| <b>NOTE 20 : COST OF RAW MATERIAL CONSUMED</b>   |                       |                        |
| Stock at commencement  |                       |                        |
| Copper Wire Rods   | 25,02,20,181          | 10,30,06,719           |
| Enamels & Chemicals  | 6,55,15,733           | 5,31,74,742            |
| Others   | 2,14,15,720           | 2,83,76,067            |
|  | <b>33,71,51,634</b>   | <b>18,45,57,528</b>    |
| Add : Purchases  |                       |                        |
| Copper Wire Rods @   | 6,76,52,42,107        | 7,37,87,36,849         |
| Enamels & Chemicals  | 30,93,18,839          | 32,00,47,368           |
| Others   | 6,15,73,143           | 4,05,36,643            |
|  | <b>7,13,61,34,089</b> | <b>7,73,93,20,860</b>  |
| Less : Stock at close  |                       |                        |
| Copper Wire Rods @   | (25,22,23,013)        | (25,02,20,181)         |
| Enamels & Chemicals  | (6,07,72,575)         | (6,55,15,733)          |
| Others   | (3,03,04,942)         | (2,14,15,720)          |
|  | <b>(34,33,00,530)</b> | <b>(33,71,51,634)</b>  |
| <b>Total Cost of Raw Material Consumed</b>   | <b>7,12,99,85,193</b> | <b>7,58,67,26,754</b>  |
| @ Includes Material in Transit Rs. 15,25,42,060/- (Rs. 21,06,34,438/-).                      |                       |                        |
| <b>NOTE 21 : CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                       |                        |
| Stock at close   |                       |                        |
| Finished Goods   | (25,39,28,649)        | (27,43,91,109)         |
| Copper Scrap   | (92,05,151)           | (33,24,013)            |
| Work-in-progress   | (27,05,14,292)        | (24,65,72,140)         |
| Wire Enamels   | (83,86,620)           | (75,68,135)            |
|  | <b>(54,20,34,712)</b> | <b>(53,18,55,397)</b>  |
| LESS :   |                       |                        |
| Stock at commencement  |                       |                        |
| Finished Goods   | 27,43,91,109          | 29,08,40,720           |
| Copper Scrap   | 33,24,013             | 33,29,011              |
| Work-in-progress   | 24,65,72,140          | 19,06,90,556           |
| Wire Enamels   | 75,68,135             | 1,95,34,451            |
|  | <b>53,18,55,397</b>   | <b>50,43,94,738</b>    |
| <b>(ACCRETION) / DECRETION IN INVENTORY</b>  | <b>(1,01,79,315)</b>  | <b>(2,74,60,659)</b>   |
| (Accretion) / Decretion in Excise Duty on Inventory of Finished Goods & Copper Scrap         | (16,21,766)           | 69,30,532              |
| <b>TOTAL</b>   | <b>(11,801,081)</b>   | <b>(2,05,30,127)</b>   |

---

NOTES TO PROFIT AND LOSS STATEMENT

---

|  | 2015/16<br>Rupees   | 2014/15<br>Rupees   |
|--|---------------------|---------------------|
| <b>NOTE 22 : EMPLOYEE BENEFITS EXPENSE</b>                       |                     |                     |
| Salary, Wages & Bonus etc.                                       | 15,94,83,041        | 13,97,15,070        |
| Contributions to Provident and Other Funds                       | 1,17,38,648         | 1,20,77,317         |
| Staff and Labour Welfare   | 34,04,358           | 33,60,058           |
| <b>TOTAL</b>   | <b>17,46,26,047</b> | <b>15,51,52,445</b> |
| <b>NOTE 23 : FINANCE COSTS</b>                                   |                     |                     |
| Interest on Term Loans   | 10,73,421           | 59,10,358           |
| Other Interest (Bank & Others)                                   | 8,20,70,879         | 13,51,02,405        |
| Discounting Charges  | 63,76,192           | 67,00,488           |
| Applicable loss on foreign currency transactions and translation | 2,16,89,859         | (55,24,402)         |
| <b>TOTAL</b>   | <b>11,12,10,351</b> | <b>14,21,88,849</b> |
| <b>NOTE 24 : OTHER EXPENSES</b>                                  |                     |                     |
| Packing Material Consumed  | 7,82,94,374         | 7,31,09,162         |
| Stores and Spares & Components                                   | 4,26,62,418         | 3,42,35,040         |
| Power and Fuel   | 18,44,82,629        | 19,39,73,601        |
| Repairs and Maintenance  |                     |                     |
| Building   | 71,27,847           | 28,28,411           |
| Machineries  | 5,61,36,037         | 4,98,46,497         |
| Other Assets   | 31,07,097           | 32,56,970           |
| Directors' Sitting Fees  | 5,53,406            | 4,13,508            |
| Rent   | 1,14,39,527         | 1,19,68,524         |
| Rates and Taxes  | 21,28,306           | 28,36,614           |
| Travelling Expenses  | 53,47,538           | 59,91,978           |
| Insurance  | 93,12,864           | 93,15,591           |
| Freight and Transportation                                       | 10,37,80,265        | 10,41,01,850        |
| Commission on Sales  | 1,29,89,758         | 1,25,77,431         |
| Bad Debts Written Off  | 68,39,624           | 12,61,785           |
| Other Expenses   | 9,40,95,402         | 9,10,52,858         |
| Prior Period Expenses  | 5,82,318            | 1,87,398            |
| Loss on Sale of Assets (net)                                     | —                   | 4,82,319            |
| Insurance Claims Written Off                                     | 29,46,658           | —                   |
| Provision for Expenses under CSR                                 | 42,05,405           | 44,50,162           |
| Foreign Exchange Loss  | (48,34,362)         | 1,01,60,621         |
| <b>TOTAL</b>   | <b>62,11,97,111</b> | <b>61,20,50,320</b> |

---

**NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**


---

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

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statements.

**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 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:

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

|                          |         |
|--------------------------|---------|
| Wire Enamelling Machines | 8 years |
| Office Equipments        | 5 years |
| Computers                | 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. Cost of Work in progress includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

**7. Excise duty / Service Tax :**

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. 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.

## NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- iii. Sales are recognised at the point of despatch of goods to the customers. Sales are net of discounts, Sales Tax / VAT and Sales Returns.
- iv. Interest income is recognised on time proportion basis.
- v. Dividend on Investments is accounted when received.
- vi. Insurance claim receivable is recognised in the year of the loss to the extent ascertainable.

### 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.
- 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..
- iii. 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 date 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.

### 10. Derivative Instruments :

The Company uses forward contracts to hedge its risks associated with foreign currency and commodity price fluctuations relating to firm commitment contracts and highly probable forecast transactions. The Company designates such forward contracts in hedging relationship by applying the hedge accounting principles as set out in the "Guidance Note on Accounting for Derivative Contracts" issued by ICAI. These forward contracts are stated at fair value at each reporting date. The contracts are marked to market and the gains and losses, if any, are recognised in the Statement of Profit and Loss, net of applicable deferred income taxes. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any gains or losses on the hedging instrument are recognised in the Profit and Loss Statement as on the date of settlement of such transactions. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss are recognised as income or expense for the period.

In accordance with Accounting Standard 11 ["Effects of changes in Foreign Exchange Rates"] and Accounting Standard 16 ["Borrowing Costs"] issued by the Institute of Chartered Accountants of India, on the Buyers Credits in Foreign Currency availed from time to time up to the time of their settlement or up to the time of creating hedge thereagainst, the Foreign Exchange Gain / Loss applicable on the amount of difference in borrowing cost in Indian Currency and borrowing cost of Buyers' Credits in Foreign Currency is accounted as "Applicable loss on foreign currency transactions and translations" under Finance Cost in the Profit and Loss Account.

### 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. Contribution made to LIC is charged to Profit and Loss Account. Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the Profit and Loss in the period in which they arise.  
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.

---

**NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**


---

**B. NOTES TO ACCOUNTS**

|   | Rs. Lakhs<br>2015-16   | Rs. Lakhs<br>2014-15                       |
|---|------------------------|--|
| <b>1. (A) Contingent Liabilities and Commitments (to the extent not provided for) :</b>   |                        |  |
| a. Disputed Wealth Tax Demands (not acknowledged) against which Company has preferred an appeal                                     | 3.40                   | 3.40                                       |
| b. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal                                       | 4.55                   | 4.55                                       |
| c. Disputed demands of Central Excise pending in Appeal   | 5.00                   | 5.00                                       |
| d. Guarantees given by Bank to third parties  | 2,593.84               | 2,707.88                                   |
| <b>1. (B) Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for</b> | <b>564.38</b>          | <b>71.02</b>                               |
| <b>2. Information pursuant to part II of Schedule III of Companies Act, 2013.</b>   |                        |  |
| <b>2. (A) Value of Imports calculated on CIF Basis.</b><br>(Including Material in Transit)  | <b>2015-16<br/>Rs.</b> | <b>2014-15<br/>Rs.</b>                     |
| 1. Raw Materials  | 1,61,03,12,270         | 1,43,97,43,143                             |
| 2. Components & Spares Parts, Packing Material & Repairs to Plant   | 1,14,54,405            | 72,59,294                                  |
| 3. Capital Goods  | 10,92,81,781           | 2,88,96,861                                |
| <b>2. (B) Value of Raw Materials and Stores &amp; Spares consumed:</b>  | <b>Percentage</b>      | <b>Rs.</b>                                 |
| a. Raw Materials  |                        |  |
| Imported  | 23<br>(18)             | 1,63,89,52,747<br>(1,39,81,02,618)         |
| Indigenous  | 77<br>(82)             | 5,49,10,32,446<br>(6,18,86,24,136)         |
| <b>Total</b>  | <b>100<br/>(100)</b>   | <b>7,12,99,85,193<br/>(7,58,67,26,754)</b> |
| b. Stores and Spares & Components :   |                        |  |
| Imported  | 26<br>(15)             | 1,09,79,386<br>(50,99,245)                 |
| Indigenous  | 74<br>(85)             | 3,16,83,032<br>(2,91,35,795)               |
| <b>Total</b>  | <b>100<br/>(100)</b>   | <b>4,26,62,418<br/>(3,42,35,040)</b>       |
| <b>2. (C) Expenditure in foreign Currency : (Other than Imports, on Accrual basis)</b>  | <b>2015-16<br/>Rs.</b> | <b>2014-15<br/>Rs.</b>                     |
| Membership Fees   | 7,55,488               | 4,57,933                                   |
| Professional Fees   | 6,65,637               | —  |
| Travelling  | 3,32,343               | 5,87,736                                   |
| Interest on Buyers Credit   | 24,63,906              | 27,46,249                                  |
| Commission on Sales   | 11,96,452              | 17,38,176                                  |
| Exhibition Expenses   | 6,02,387               | 8,21,449                                   |
| Technical Knowhow fees (Technology Transfer Cost)   | —                      | 93,29,386                                  |

## NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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

#### 2. (D) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND :

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes investment where the amount is also credited to Non-Resident External Account (NRE A/c.). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below :-

|   | 2015-16  | 2014-15  |
|---|----------|----------|
| INTERIM DIVIDEND - I                                |          |          |
| (a) Number of Non-Resident Shareholders             | 55       | 55       |
| (b) Number of Equity Shares held by them            | 93,733   | 1,28,441 |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees) | 2,34,332 | 2,56,882 |
| (ii) Tax Deducted at Source                         | —        | —        |
| (iii) Year to which dividend relates                | 2015-16  | 2014-15  |
| INTERIM DIVIDEND - II                               |          |          |
| (a) Number of Non-Resident Shareholders             | 58       | 56       |
| (b) Number of Equity Shares held by them            | 90,328   | 1,10,618 |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees) | 1,35,492 | 1,10,618 |
| (ii) Tax Deducted at Source                         | —        | —        |
| (iii) Year to which dividend relates                | 2015-16  | 2014-15  |
| FINAL DIVIDEND                                      |          |          |
| (a) Number of Non-Resident Shareholders             | 58       | 45       |
| (b) Number of Equity Shares held by them            | 98,396   | 1,17,782 |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees) | 2,45,990 | 2,35,564 |
| (ii) Tax Deducted at Source                         | —        | —        |
| (iii) Year to which dividend relates                | 2015-16  | 2013-14  |

|                                       | 2015-16<br>Rs.      | 2014-15<br>Rs.      |
|---------------------------------------|---------------------|---------------------|
| 2. (E) Earnings in Foreign Exchange : |                     |                     |
| Export of Goods on FOB Basis          | 89,21,99,018        | 95,09,68,712        |
| Freight, Insurance                    | 1,71,38,829         | 81,23,642           |
| <b>TOTAL</b>                          | <b>90,93,37,847</b> | <b>95,90,92,354</b> |

#### 2. (F) Employee benefits :

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below :

##### A. Defined Contribution Plan :

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

|   | 2015-16<br>Rs.   | 2014-15<br>Rs.   |
|---|------------------|------------------|
| Employers Contribution to Provident Fund                | 29,07,198        | 62,57,446        |
| Employers Contribution to Employees Pension Scheme 1995 | 44,27,695        | 34,44,631        |
| <b>TOTAL</b>  | <b>73,34,893</b> | <b>97,02,077</b> |

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.

##### 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.

**NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)**

| I. Reconciliation of Opening and closing Balances of Defined Benefit Obligation | Gratuity (Funded) 2015-16 Rs. | Gratuity (Un-Funded) 2015-16 Rs. | Gratuity (Funded) 2014-15 Rs. | Gratuity (Un-Funded) 2014-15 Rs. |
|---|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| Present Value of Defined Benefit Obligation as at beginning of the year         | 2,65,65,713                   | 1,37,25,002                      | 2,32,43,197                   | 1,25,22,117                      |
| Interest Cost   | 21,25,257                     | —                                | 18,70,498                     | —                                |
| Current Service Cost  | 16,98,464                     | 24,94,616                        | 15,50,843                     | 12,02,885                        |
| Benefits Paid   | (65,52,504)                   | —                                | (12,37,972)                   | —                                |
| Actuarial (Gain)/Loss   | 34,17,977                     | —                                | 11,39,147                     | —                                |
| Present Value of Defined Benefit Obligation as at end of the year               | 2,72,54,907                   | 1,62,19,618                      | 2,65,65,713                   | 1,37,25,002                      |
| II. Reconciliation of Opening and closing Balances of Fair Value of Plan Assets |                               |                                  |                               |                                  |
| Fair Value of Plan assets at beginning of the year                              | 3,17,97,062                   | —                                | 2,76,43,118                   | —                                |
| Expected Return on Plan assets  | 26,53,866                     | —                                | 24,98,922                     | —                                |
| Employers Contribution  | 37,34,231                     | —                                | 29,15,484                     | —                                |
| Benefits Paid   | (65,52,504)                   | —                                | (12,37,972)                   | —                                |
| Actuarial (Gain)/Loss   | (3,09,457)                    | —                                | (22,490)                      | —                                |
| Fair Value of Plan assets at end of the year                                    | 3,13,23,198                   | —                                | 3,17,97,062                   | —                                |
| Actual return on plan assets  | 23,44,409                     | —                                | 24,76,432                     | —                                |
| III. Reconciliation of fair value of assets and obligations                     |                               |                                  |                               |                                  |
| Fair Value of Plan assets at end of the year                                    | 3,13,23,198                   | —                                | 3,17,97,062                   | —                                |
| Present Value of Defined Benefit Obligation as at end of the year               | 2,72,54,907                   | —                                | 2,65,65,713                   | —                                |
| Net Liability/(Asset) Recognised in the Balance Sheet                           | (40,68,291)                   | —                                | (52,31,349)                   | —                                |
| IV. Expenses Recognised During the year   |                               |                                  |                               |                                  |
| Current Service Cost  | 16,98,464                     | —                                | 15,50,843                     | —                                |
| Interest Cost   | 21,25,257                     | —                                | 18,70,498                     | —                                |
| Expected Return on Plan assets  | (26,53,866)                   | —                                | (24,98,922)                   | —                                |
| Net Actuarial (Gain) / Loss   | 31,08,520                     | —                                | 11,16,657                     | —                                |
| Expenses Recognised During the year in Profit & Loss Account                    | 42,78,375                     | —                                | 20,39,076                     | —                                |
| V. Actuarial Assumptions  |                               |                                  |                               |                                  |
| Mortality Table (LIC)   | 1994-96 (Ultimate)            | 1994-96 (Ultimate)               |                               |                                  |
| Discount Rate (Per Annum)   | 8%                            | 8%                               |                               |                                  |
| Expected rate of Return on Plan assets  | 8.35%                         | 9%                               |                               |                                  |
| Rate of Escalation in Salary (Per Annum)  | 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.

| 2. (G) Remuneration to Auditors (excluding Service Tax) : | 2015-16 Rs.      | 2014-15 Rs.      |
|---|------------------|------------------|
| Remuneration to Auditors                                  |                  |                  |
| (a) Audit Fees  | 10,00,000        | 10,00,000        |
| (b) Tax Audit Fees  | 1,00,000         | 1,00,000         |
| (c) Certification Fees                                    | 1,43,500         | 1,40,000         |
| <b>TOTAL</b>  | <b>12,43,500</b> | <b>12,40,000</b> |

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. (H) Expenses/Debits and (Income / Credits) pertaining to previous year(s) : | 2015-16 Rs.     | 2014-15 Rs.     |
|--|-----------------|-----------------|
| Manufacturing  | 1,15,727        | —               |
| Administration & Selling Expenses  | 4,66,591        | 1,87,398        |
| <b>TOTAL</b>   | <b>5,82,318</b> | <b>1,87,398</b> |

## NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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

3. a) Bank borrowings from Bank of Baroda (Term Loan and Working Capital facilities) are secured by a first charge on Hypothecation of Machinery, Stock-in-Trade, Book Debts and Equitable Mortgage of Land, Factory & Residential Buildings of the Company and in addition, are guaranteed by Executive Directors.
- b) Unsecured Working capital facilities from Kotak Mahindra Bank Ltd, BNP Paribas, Ratnakar Bank Ltd, Yes Bank Ltd and Societe Generale Bank are guaranteed by Executive Directors.

### 4. Derivative Instruments and Unhedged Foreign Exposures :

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 (Forward Contracts) outstanding (for hedged transactions mentioned below) as on 31.03.2016:

| Particulars             | 2015-16                    |                          | 2014-15                    |                          |
|-------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                         | Amount in Foreign Currency | Equivalent Amount in Rs. | Amount in Foreign Currency | Equivalent Amount in Rs. |
| Creditors(Raw Material) | \$ 31,05,035               | 20,59,65,953             | \$ 18,10,000               | 11,32,89,348             |
| Debtors                 | € –                        | –                        | € 1,93,000                 | 1,30,29,430              |
|                         | \$ –                       | –                        | \$ 1,51,000                | 94,51,241                |

Details of Derivative Instruments (Future Contracts) outstanding (for hedged transactions mentioned below) as on 31.03.2016

| Particulars                             | 2015-16 |               | 2014-15 |               |
|---|---------|---------------|---------|---------------|
|   | MTS     | Amount in Rs. | MTS     | Amount in Rs. |
| Inventory Hedged using Future Contracts | 300     | 9,77,70,000   | –       | –             |

#### B. Details of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31.03.2016 - Figures mentioned in Table below for Sundry Creditors are in respect of Import of Plant & Machinery / Raw Material

| Particulars                 | 2015-16                    |                          | 2014-15                    |                          |
|-----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                             | Amount in Foreign Currency | Equivalent Amount in Rs. | Amount in Foreign Currency | Equivalent Amount in Rs. |
| Creditors for Capital Goods | € 7,05,600                 | 5,29,87,385              | € 1,74,000                 | 1,17,46,809              |
| Creditors for Capital Goods | \$ 4,25,750                | 2,82,41,232              | \$ 2,100                   | 1,31,439                 |
| Creditors (Raw Material)    | € –                        | –                        | € 34,440                   | 23,25,044                |
| Creditors (Raw Material)    | \$ –                       | –                        | \$ 25,31,142               | 15,84,26,169             |
| Creditors (Raw Material)    | SEK 2,19,431               | 17,83,971                | SEK 2,93,243               | 21,31,521                |
| Loans & Advances            | € 26,116                   | 19,25,010                | € –                        | –                        |
| Debtors                     | € –                        | –                        | € 3,52,999                 | 2,38,30,964              |
|                             | \$ 29,65,554               | 19,67,13,734             | \$ 30,88,037               | 19,32,82,656             |

5. In accordance with ASI 14 (Revised) on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on sales amounting to Rs. 1,29,61,04,265/- (Rs.1,36,60,58,599/-) has been reduced from sales in Profit and Loss account and [Accretion]/Decretion of Excise Duty on Inventory of Finished Goods amounting to [Rs.16,21,766/-] Previous Year (Rs.69,30,532/-) has been accounted in the profit and loss account under Note 21 - "Changes in Inventory of Finished Goods, Work-in-Progress and Stock-In-Trade".
6. 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.

**NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**B. NOTES TO ACCOUNTS (Contd.)**

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

- a) Key Management personnel and their relatives :

|  |   |   |
|--|---|---|
| Chairman & Managing Director<br>Shri Mahendra R. Mehta | Managing Director<br>Shri Milan M. Mehta  | Whole Time Director<br>Shri Deepak M. Mehta   |
| Relative<br>Mrs. S. M. Mehta, Wife #                   | Relative<br>Mrs. G. M. Mehta, Wife<br>Master A. M. Mehta, Son<br>Miss M. M. Mehta, Daughter<br>Milan Mahendra Mehta (HUF) | Relative<br>Mrs. S. D. Mehta - Wife<br>Mr. N. D. Mehta, Son<br>Mrs. A. N. Mehta, Daughter-in-law<br>Deepak Mahendra Mehta (HUF) |

# Mrs S. M. Mehta deceased on 10<sup>th</sup> July, 2015

Shri Milan M Mehta and Shri Deepak M Mehta are the Children of Shri Mahendra R. Mehta and Mrs S. 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:

| Particulars                               | Nature of Transaction | 2015-16<br>Rs. | 2014-15<br>Rs. |
|---|-----------------------|----------------|----------------|
| Key Management Personnel and Relatives    | Rent Paid             | 62,82,720      | 62,82,720      |
| Key Management Personnel and Relatives    | Remuneration          | 2,86,05,645    | 2,22,13,559    |
| Newgen Wires & Coils Pvt Ltd. (Associate) | Purchase              | 30,702         | —              |
| Newgen Wires & Coils Pvt Ltd. (Associate) | Sale                  | 13,88,652      | —              |

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

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

| Sales / Purchase & Processing Income etc.    | 2015-16<br>Rs. | 2014-15<br>Rs. |
|--|----------------|----------------|
| - Enamels, Chemicals etc.                    | 16,34,51,002   | 15,72,93,256   |
| - Stores, Spares & Packing Material          | 40,88,247      | 38,05,045      |
| - Copper Wire Rods including Conversion Chgs | 12,36,55,703   | 18,96,04,092   |

- b) The profit arising on transfer of material by one Unit to another and in Stock as at 31st March 2016 has been excluded from the valuation of relevant closing stock in the accounts of the Company.

9. The Company has certain dues to Suppliers registered under the Micro Small and Medium Enterprises development Act 2006 (MSMED ACT). The disclosure pursuant to the said MSMED Act are as follows :

|  | 31 <sup>st</sup> March, 2016<br>Rs. | 31 <sup>st</sup> March, 2015<br>Rs. |
|--|-------------------------------------|-------------------------------------|
| Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end | 1,23,31,587                         | 2,24,670                            |
| Interest due to supplier registered under the MSMED Act and remaining unpaid as at year end.     | 4,180                               | 1,720                               |

10. Future Obligations in case of Lease Agreements:

|   | As on 31.03.2016<br>Rs. | As on 31.03.2015<br>Rs. |
|---|-------------------------|-------------------------|
| Within one year                                   | 1,06,64,236             | 1,19,68,524             |
| Later than one year and not later than five years | 1,01,63,400             | 2,58,52,705             |
| <b>Total</b>                                      | <b>2,08,27,637</b>      | <b>3,78,21,229</b>      |

## NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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

11. 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.

|   | As on 31.03.2016<br>Rs. | As on 31.03.2015<br>Rs. |
|---|-------------------------|-------------------------|
| a Profit after tax                                | 17,02,96,794            | 10,10,38,817            |
| b Weighted Average Number of Shares               | 2,31,27,246             | 1,15,63,623             |
| c Basic & Diluted EPS before Extra Ordinary Items | 7.36                    | 8.74                    |
| d Basic & Diluted EPS after Extra Ordinary Items  | 7.36                    | 8.74                    |
| e Face value per share                            | 5.00                    | 10.00                   |

12. Figures in brackets pertain to the previous year.

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

As per our report of even date.

For and on behalf of the Board

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

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**Shalin S. Divatia**  
Partner  
Membership No. 39755  
Firm Registration No. 102646W

**Nishthi H. Dharmani**  
Company Secretary

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

---

**CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**


---

To the Members of  
Precision Wires India Limited

**1. Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **Precision Wires India Ltd.** ("hereinafter referred to as the Investor Company") and its associate (refer Note 25 (A) to the attached consolidated financial statements) comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

**2. Management's Responsibility for the Financial Statements**

The Investor Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Investor Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which has been used for the purpose of preparation of consolidated financial statements by the directors of the Investor Company, as aforesaid.

**3. Auditors Responsibility Statement**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements required that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Investor Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Investor Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 5 "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the consolidated state of affairs of the Company and its associate as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

**5. Other Matters**

The consolidated financial statements include Investor Company's share of loss of Rs. 8,67,972/- whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-sections (3) and (11) of section 143 of the Act insofar as it relates to the aforesaid associate, is based on solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

---

**CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**


---

**6. Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law have been maintained by the Investor Company and its associate company including relevant records relating to preparation of the aforesaid consolidated financial statements, so far as it appears from our examination of those books and records of the Investor Company and the report of the other auditor;
- c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Investor Company and its associate company including relevant records relating to the preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the Directors of the Investor Company as on March 31, 2016, taken on record by the Board of Directors of the Investor Company and the report of the Statutory Auditors of the associate company, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;

- f) the Investor Company including its associate company has an adequate internal financial control system and the same is operationally effective;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on its consolidated financial position of the Investor Company and its associate company.
  - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts as at March 31, 2016.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

**FOR S.R. DIVATIA & CO.**

Chartered Accountants

Firms Registration No. 102646W

**Shalin S. Divatia**

Partner

Membership No. 39755

Mumbai,

Dated: 26<sup>th</sup> May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

|  | Note | Rupees         | As at<br>31/03/2016<br>Rupees | Rupees         | As at<br>31/03/2015<br>Rupees |
|--|------|----------------|-------------------------------|----------------|-------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                |      |                |                               |                |                               |
| <b>SHAREHOLDERS' FUNDS</b>                                   |      |                |                               |                |                               |
| Share Capital  | 1    | 11,56,44,230   |                               | 11,56,44,230   |                               |
| Reserves and Surplus   | 2    | 1,83,15,41,548 |                               | 1,75,28,49,265 |                               |
|  |      |                | 1,94,71,85,778                |                | 1,86,84,93,495                |
| <b>NON-CURRENT LIABILITIES</b>                               |      |                |                               |                |                               |
| Deferred Tax Liabilities (Net)                               | 3    | 4,14,31,555    |                               | 5,61,36,507    |                               |
| Long-Term Provisions   | 4    | 1,62,19,619    |                               | 1,37,25,003    |                               |
|  |      |                | 5,76,51,174                   |                | 6,98,61,510                   |
| <b>CURRENT LIABILITIES</b>                                   |      |                |                               |                |                               |
| Short-Term Borrowings  | 5    | 27,79,49,880   |                               | 34,62,52,125   |                               |
| Trade Payables   | 6    | 1,07,06,39,641 |                               | 1,07,55,76,518 |                               |
| Other Current Liabilities                                    | 7    | 15,77,51,225   |                               | 17,24,53,425   |                               |
| Short-Term Liabilities                                       | 8    | 1,00,000       |                               | 1,00,000       |                               |
| Short-Term Provisions  | 9    | 5,50,97,766    |                               | 4,32,03,362    |                               |
|  |      |                | 1,56,15,38,512                |                | 1,63,75,85,430                |
| <b>TOTAL</b>   |      |                | <b>3,56,63,75,464</b>         |                | <b>3,57,59,40,435</b>         |
| <b>ASSETS</b>  |      |                |                               |                |                               |
| <b>NON-CURRENT ASSETS</b>                                    |      |                |                               |                |                               |
| Fixed Assets   | 10   |                |                               |                |                               |
| Tangible Assets  |      | 79,13,96,536   |                               | 85,38,24,206   |                               |
| Intangible Assets  |      | 1,14,56,310    |                               | 1,46,49,259    |                               |
| Capital Work-in-Progress                                     |      | 11,94,15,639   |                               | 2,76,90,420    |                               |
|  |      |                | 92,22,68,485                  |                | 89,61,63,885                  |
| Non-Current Investments                                      | 11   | 1,76,96,650    |                               | 13,522         |                               |
| Other Non-Current Assets                                     | 12   | 62,78,247      |                               | 63,39,843      |                               |
|  |      |                | 2,39,74,897                   |                | 63,53,365                     |
| <b>CURRENT ASSETS</b>  |      |                |                               |                |                               |
| Inventories  | 13   | 97,44,49,836   |                               | 95,26,49,142   |                               |
| Trade Receivables  | 14   | 1,35,00,63,984 |                               | 1,37,50,10,300 |                               |
| Cash and Cash-equivalents                                    | 15   | 17,06,07,540   |                               | 18,19,80,579   |                               |
| Short Term Loans and Advances                                | 16   | 9,80,18,480    |                               | 11,38,62,917   |                               |
| Other Current Assets   | 17   | 2,69,92,242    |                               | 4,99,20,247    |                               |
|  |      |                | 2,62,01,32,082                |                | 2,67,34,23,185                |
| <b>TOTAL</b>   |      |                | <b>3,56,63,75,464</b>         |                | <b>3,57,59,40,435</b>         |
| <b>Significant Accounting Policies and Notes on Accounts</b> |      |                |                               |                |                               |
|  | 25   |                |                               |                |                               |

As per our report of even date.

For S.R. Divatia & Co.  
Chartered AccountantsShalin S. Divatia  
Partner  
Membership No. 39755  
Firm Registration No. 102646WMumbai,  
Dated : 26<sup>th</sup> May, 2016

For and on behalf of the Board

Mahendra R. Mehta  
Chairman, Managing Director & CEO  
(DIN: 00003558)Nishthi H. Dharmani  
Company SecretaryMilan M. Mehta  
Vice Chairman & Managing Director  
(DIN: 00003624)C. Mohandas Pai  
Chief Financial OfficerMumbai,  
Dated : 26<sup>th</sup> May, 2016

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR  
THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

|  | Note           | 2015/16<br>Rupees     | 2014/15<br>Rupees     |
|--|----------------|-----------------------|-----------------------|
| <b>INCOME</b>  |                |                       |                       |
| Revenue from Operations (Gross)  | 18             | 9,73,09,65,051        | 10,17,38,04,050       |
| Less : Excise Duty   |                | (1,29,61,04,265)      | (1,36,60,58,599)      |
| Revenue from Operations (Net)  |                | 8,43,48,60,786        | 8,80,77,45,451        |
| Other Income   | 19             | 1,61,09,621           | 3,24,66,547           |
| <b>TOTAL REVENUE</b>   |                | <b>8,45,09,70,407</b> | <b>8,84,02,11,998</b> |
| <b>EXPENSES</b>  |                |                       |                       |
| Cost of Raw Material consumed  | 20             | 7,12,99,85,193        | 7,58,67,26,754        |
| Purchase of Stock-in-Trade   |                | 20,47,746             | 9,13,838              |
| Changes in inventories of Finished Goods,<br>Work-in-progress and Stock-in-Trade | 21             | (1,18,01,081)         | (2,05,30,127)         |
| Employee Benefits Expense  | 22             | 17,46,26,047          | 15,51,52,445          |
| Finance Cost   | 23             | 11,12,10,351          | 14,21,88,849          |
| Depreciation & Amortisation Expenses   | 10             | 15,77,38,488          | 19,59,02,688          |
| Other Expenses   | 24             | 62,11,97,111          | 61,20,50,320          |
| <b>TOTAL</b>   |                | <b>8,18,50,03,855</b> | <b>8,67,24,04,767</b> |
| <b>Profit before Exceptional &amp; Extraordinary Items and Taxes</b>             |                | <b>26,59,66,552</b>   | <b>16,78,07,231</b>   |
| Exceptional and Extraordinary Item   |                | —                     | —                     |
| <b>Profit before Taxes</b>   |                | <b>26,59,66,552</b>   | <b>16,78,07,231</b>   |
| <b>Tax Expenses :</b>  |                |                       |                       |
| <b>Current Tax :</b>   |                |                       |                       |
| Provision for Income Tax   | (11,04,00,000) | (8,77,00,000)         |                       |
| Provision for Wealth Tax   | —              | (36,000)              |                       |
|  |                | (11,04,00,000)        | (8,77,36,000)         |
| Provision for Deferred Tax   |                | 1,47,04,852           | 2,92,88,290           |
| Income Tax Adjustments in respect of earlier year                                |                | 25,390                | (83,20,704)           |
| <b>Profit / (Loss) after Taxes before share in profit of associates</b>          |                | <b>17,02,96,794</b>   | <b>10,10,38,817</b>   |
| Add : Share in Profit / (Loss) of Associates                                     |                | (8,67,972)            | —                     |
| <b>Profit for the year</b>   |                | <b>16,94,28,822</b>   | <b>10,10,38,817</b>   |
| Earnings per Share of Rs. 5/- (Rs. 10/-) each                                    |                |                       |                       |
| Basic & Diluted EPS before Extra Ordinary Items                                  |                | 7.33                  | 8.74                  |
| Basic & Diluted EPS after Extra Ordinary Items<br>(Refer Clause C-11 of Note 25) |                | 7.33                  | 8.74                  |
| <b>Significant Accounting Policies and<br/>Notes on Accounts</b>                 |                |                       |                       |
|  | 25             |                       |                       |

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 : 26<sup>th</sup> May, 2016

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Nishthi H. Dharmani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

**CONSOLIDATED - CASH FLOW STATEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2016**

|  | Rupees in Lacs    |                   |
|--|-------------------|-------------------|
|  | 31/03/2016        | 31/03/2015        |
| <b>A. Cash Flow From Operating Activities</b>                            |                   |                   |
| <b>Net Profit before tax and extraordinary items</b>                     | 2,659.67          | 1,678.07          |
| <b>Add / (Deduct) : Adjustments for</b>                                  |                   |                   |
| a) Financial Charges   | 1,112.10          | 1,421.89          |
| b) Depreciation (net)  | 1,577.38          | 1,959.03          |
| c) Insurance Spares issued   | 8.07              | (3.83)            |
| d) (Profit)/Loss on sale of assets                                       | (0.68)            | 4.82              |
| e) Hedging Reserve Income  | (2.71)            | (9.58)            |
| f) Bad Debts/Other Losses/ Rebate W/off                                  | 68.40             | (28.38)           |
| g) Gratuity Payment  | 11.12             | —                 |
| h) Income from investments   | —                 | (12.67)           |
| g) Insurance Claim w/off   | —                 | —                 |
|  | <u>2,773.68</u>   | <u>3,331.28</u>   |
| <b>Operating Profit before working capital changes</b>                   | <b>5,433.35</b>   | <b>5,009.35</b>   |
| <b>Add / (Deduct) Adjustments for :</b>                                  |                   |                   |
| Trade and Other Receivables  | 181.09            | 4,849.79          |
| Inventories  | (217.98)          | (1,984.23)        |
| Trade and Other Payables   | (175.90)          | (3,807.63)        |
| Other Current Assets   | <u>229.28</u>     | <u>(205.32)</u>   |
|  | <u>16.49</u>      | <u>(1,147.39)</u> |
| <b>Cash generated from operations</b>                                    | <b>5,449.84</b>   | <b>3,861.96</b>   |
| Direct Taxes paid (net of refunds)                                       | <u>(980.82)</u>   | <u>(643.48)</u>   |
| <b>Cash flow before extraordinary items</b>                              | <b>4,469.02</b>   | <b>3,218.48</b>   |
| Extraordinary items  | —                 | —                 |
| <b>Net cash from operating activities</b>                                | <b>4,469.02</b>   | <b>3,218.48</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES - Inflow / (Outflow)</b>       |                   |                   |
| Purchase of fixed assets (including Capital Work in Progress)            | (1,848.15)        | (786.71)          |
| Proceeds from Sale of Fixed assets                                       | 1.66              | 6.92              |
| Proceeds from Sale of Investment   | —                 | 1,600.00          |
| Purchase of Investment   | (185.51)          | (1,600.00)        |
| Loans and Advances / Other Non-Current Assets                            | 147.33            | 292.91            |
| Deposits Given / REDEEMED  | 0.62              | (3.03)            |
| Income from Investments  | —                 | 12.67             |
| <b>Net cash generated / (used) in investing activities</b>               | <b>(1,884.05)</b> | <b>(477.24)</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                   |                   |
| Proceeds from Short Term Borrowings                                      | (683.03)          | (1,161.08)        |
| Proceeds from Long Term Borrowings                                       | —                 | (305.05)          |
| Financial Charges Paid   | (1,112.10)        | (1,421.89)        |
| Dividends paid   | <u>(903.56)</u>   | <u>(693.47)</u>   |
| <b>Net cash generated / (used) in financing activities</b>               | <b>(2,698.69)</b> | <b>(3,581.49)</b> |
| <b>Net increase / (decrease) in cash equivalents</b>                     | <b>(113.72)</b>   | <b>(840.25)</b>   |
| <b>Cash and cash equivalents as at 1<sup>st</sup> April</b>              | <b>1,819.80</b>   | <b>2,660.05</b>   |
| <b>[Includes Balances in Dividend Account Rs. 53.48 (Rs.49.24) lacs]</b> |                   |                   |
| <b>Cash and cash equivalents as at 31<sup>st</sup> March</b>             | <b>1,706.08</b>   | <b>1,819.80</b>   |
| <b>[Includes Balances in Dividend Account Rs.59.74 (Rs.53.48) lacs]</b>  |                   |                   |

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 : 26<sup>th</sup> May, 2016

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Nishthi H. Dharmani**  
Company Secretary

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

# CONSOLIDATED NOTES TO BALANCE SHEET

|  | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|--|-------------------------------|-------------------------------|
| <b>NOTE 1 : SHARE CAPITAL</b>  |                               |                               |
| <b>AUTHORISED :</b>  |                               |                               |
| 2,40,00,000 (1,20,00,000) Equity Shares of Rs.5/- (10/-) each.       | 12,00,00,000                  | 12,00,00,000                  |
| 30,00,000 (30,00,000) Unclassified Shares of Rs.10/- (10/-) each.    | 3,00,00,000                   | 3,00,00,000                   |
|  | <b>15,00,00,000</b>           | <b>15,00,00,000</b>           |
| <b>ISSUED :</b>  |                               |                               |
| 2,31,30,446 (1,15,65,223) Equity shares of Rs.5/- (10/-) each.       | 11,56,52,230                  | 11,56,52,230                  |
| <b>SUBSCRIBED AND PAID-UP:</b>                                       |                               |                               |
| 2,31,27,246 (1,15,63,623) shares of Rs.5/- (10/-) each fully paid-up | 11,56,36,230                  | 11,56,36,230                  |
| Add : Forfeiture of 3,200 (1,600)                                    |                               |                               |
| Equity shares (Amount originally paid-up)                            | 8,000                         | 8,000                         |
| <b>TOTAL</b>   | <b>11,56,44,230</b>           | <b>11,56,44,230</b>           |

## 1.1 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder                        | As at 31 <sup>st</sup> March, 2016 @ Rs.5/- per share | As at 31 <sup>st</sup> March, 2015 @ Rs.10/- per share |
|--|---|--|
|  | No. of Shares held                                    | No. of Shares held                                     |
| Galvawire Agencies Pvt. Ltd.                   | 34,69,336   | 17,34,668  |
| Mr. Mahendra R. Mehta                          | 47,22,350   | 15,48,621  |
| Mrs. Sharda M. Mehta                           | —   | 8,12,554   |
| Mr. Milan M. Mehta (including as Karta of HUF) | 15,75,896   | 7,87,948   |
|  | % held  | % held   |
|  | 15.00   | 15.00  |
|  | 20.42   | 13.39  |
|  | —   | 7.03   |
|  | 6.82  | 6.82   |

## 1.2 The reconciliation of the number of shares outstanding is set out below :

| Particulars                                | As at 31 <sup>st</sup> March, 2016 | As at 31 <sup>st</sup> March, 2015 |
|--|------------------------------------|------------------------------------|
|  | No. of Shares held                 | No. of Shares held                 |
| Equity Shares at the beginning of the year | 1,15,63,623                        | 1,15,63,623                        |
| Equity Shares at the end of the year **    | 2,31,27,246                        | 1,15,63,623                        |

\*\* During the year under review each Equity Share of the face value of Rs. 10/- each fully paid up was split into Two Equity Shares of Face Value of Rs. 5/- each.

## NOTE 2 : RESERVES AND SURPLUS

|   |                       |                       |
|---|-----------------------|-----------------------|
| (a) Central and State Government Subsidies            |                       |                       |
| Balance as per last Balance Sheet                     | 20,00,000             | 20,00,000             |
| (b) Capital Redemption Reserve                        |                       |                       |
| Balance as per last Balance Sheet                     | 1,16,98,500           | 1,16,98,500           |
| (c) Share Premium                                     |                       |                       |
| Balance as per last Balance Sheet                     | 18,38,65,000          | 18,38,65,000          |
| (d) Hedging Reserve                                   |                       |                       |
| Balance as per last Balance Sheet                     | 2,71,387              | (12,28,921)           |
| Add : Effect of Foreign Exchange Rate Variation on    |                       |                       |
| Hedging Instruments outstanding at the year end       | —                     | 2,71,387              |
| Less : Amount transferred to Statement of             |                       |                       |
| Profit & Loss Account                                 | (2,71,387)            | 12,28,921             |
|   | —                     | 2,71,387              |
| (e) General Reserve :                                 |                       |                       |
| Balance as per last Balance Sheet                     | 1,53,36,50,070        | 1,69,50,00,000        |
| Less : Additional Depreciation [net of tax Rs. Nil    | —                     | (18,63,49,930)        |
| (Rs. 9,41,66,109/-)] pursuant to enactment            |                       |                       |
| of Schedule II of the Companies Act, 2013 /           |                       |                       |
| change in useful life of Fixed Assets                 |                       |                       |
| Add : Transfer from Profit and Loss Account           | 7,50,00,000           | 2,50,00,000           |
|   | 1,60,86,50,070        | 1,53,36,50,070        |
| (f) Surplus in Statement of Profit and Loss Account : |                       |                       |
| Balance as per last Balance Sheet                     | 2,13,64,308           | 2,16,38,431           |
| Add : Net Profit after tax for the year               | 16,94,28,822          | 10,10,38,817          |
| Less : Transfer to General Reserve                    | (7,50,00,000)         | (2,50,00,000)         |
| Interim Dividend [@ Rs.4/- (Rs.3/-) per               |                       |                       |
| Equity Share] On Face Value of Rs. 10/- each          | (4,62,54,493)         | (3,46,90,869)         |
| Corporate Tax on Interim Dividend                     | (94,16,295)           | (69,36,109)           |
| Provision for :                                       |                       |                       |
| Final Dividend [@ Rs.1.25 (Rs.2.50) per               | (2,89,09,058)         | (2,89,09,057)         |
| Equity Share] of Rs. 5/- (Rs.10/- each)]              |                       |                       |
| Corporate Tax on Final Dividend                       | (58,85,306)           | (57,76,905)           |
|   | 2,53,27,978           | 2,13,64,308           |
| <b>TOTAL</b>  | <b>1,83,15,41,548</b> | <b>1,75,28,49,265</b> |

## CONSOLIDATED NOTES TO BALANCE SHEET

|  | As at<br>31/03/2016<br>Rupees             | As at<br>31/03/2015<br>Rupees |
|--|---|-------------------------------|
| <b>NOTE 3 : DEFERRED TAX LIABILITY (NET)</b>   |   |                               |
| Deferred Tax Liability arising on account of Depreciation  | 4,83,41,118                               | 6,22,55,028                   |
|  | <u>4,83,41,118</u>                        | <u>6,22,55,028</u>            |
| LESS :   |   |                               |
| Deferred Tax Assets arising on account of:   |   |                               |
| Unamortized / Unpaid Expenditure   | (39,762)                                  | (39,052)                      |
| Retirement benefits  | (68,69,801)                               | (60,79,469)                   |
|  | <u>(69,09,563)</u>                        | <u>(61,18,521)</u>            |
| <b>TOTAL</b>   | <u>4,14,31,555</u>                        | <u>5,61,36,507</u>            |
| <b>NOTE 4 : LONG-TERM PROVISIONS</b>   |   |                               |
| Provision for Gratuity payable   | 1,62,19,619                               | 1,37,25,003                   |
| <b>TOTAL</b>   | <u>1,62,19,619</u>                        | <u>1,37,25,003</u>            |
| <b>NOTE 5 : SHORT-TERM BORROWINGS</b>  |   |                               |
| <b>Secured :</b>   |   |                               |
| Buyers Credit in Foreign Currency (from Bank)  | 4,83,93,959                               | 21,46,68,088                  |
| Working Capital Borrowings (from Bank)   | 2,98,08,010                               | 6,54,13,566                   |
| <b>Unsecured :-</b>  |   |                               |
| Buyers Credit in Foreign Currency (from Bank)  | 19,97,47,911                              | 6,61,70,471                   |
| <b>TOTAL</b>   | <u>27,79,49,880</u>                       | <u>34,62,52,125</u>           |
|  | (Refer Clause C-3(a) and 3(b) of Note 25) |                               |
| <b>NOTE 6 : TRADE PAYABLES</b>   |   |                               |
| Sundry Creditors   |   | 4,61,239                      |
| Micro / Small and medium scale industrial undertakings   | 1,23,31,587                               |                               |
| Others   | 1,05,83,08,054                            | 1,07,51,15,279                |
| <b>TOTAL</b>   | <u>1,07,06,39,641</u>                     | <u>1,07,55,76,518</u>         |
| <b>NOTE 7 : OTHER CURRENT LIABILITIES</b>  |   |                               |
| Current maturities of Long Term Debts  | —   | 3,05,04,541                   |
| Unclaimed Dividend *   | 59,73,889                                 | 53,48,437                     |
| Creditors for Capital Expenditure  | 368,12,488                                | 32,79,950                     |
| Other Liabilities  |   |                               |
| Statutory Liabilities  | 3,36,77,546                               | 3,42,90,503                   |
| Advance received from Customers  | 3,18,06,522                               | 5,69,37,662                   |
| Other Payables   | 4,94,80,780                               | 4,20,92,332                   |
|  | <u>11,49,64,848</u>                       | <u>13,33,20,497</u>           |
| <b>TOTAL</b>   | <u>15,77,51,225</u>                       | <u>17,24,53,425</u>           |
| * There is no amount, due and outstanding, to be credited to the Investor Education and Protection Fund. |   |                               |
| <b>NOTE 8 : SHORT-TERM LIABILITIES</b>   |   |                               |
| Security Deposits  | 1,00,000                                  | 1,00,000                      |
| <b>TOTAL</b>   | <u>1,00,000</u>                           | <u>1,00,000</u>               |
| <b>NOTE 9 : SHORT-TERM PROVISIONS</b>  |   |                               |
| Provision for Leave Encashment   | 36,30,707                                 | 41,61,146                     |
| Provision for Income Tax   | 1,66,72,695                               | 43,20,254                     |
| Provision for Wealth Tax   | —   | 36,000                        |
| Proposed Dividend  | 2,89,09,058                               | 2,89,09,057                   |
| Provision for Corporate Tax on Dividend  | 58,85,306                                 | 57,76,905                     |
| <b>TOTAL</b>   | <u>5,50,97,766</u>                        | <u>4,32,03,362</u>            |

## CONSOLIDATED NOTES TO BALANCE SHEET

## NOTE 10 : FIXED ASSETS

| PARTICULARS   | GROSS BLOCK         |               |                            |                     | DEPRECIATION       |                 |                            |                                   | NET BLOCK          |                     |                     |
|---|---------------------|---------------|----------------------------|---------------------|--------------------|-----------------|----------------------------|-----------------------------------|--------------------|---------------------|---------------------|
|   | As at<br>01.04.2015 | Additions     | Deductions /<br>Adjustment | As at<br>31.03.2016 | Upto<br>31.03.2015 | For the<br>Year | Deductions /<br>Adjustment | Transfer to<br>General<br>Reserve | Upto<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
|   | Rs.                 | Rs.           | Rs.                        | Rs.                 | Rs.                | Rs.             | Rs.                        | Rs.                               | Rs.                | Rs.                 | Rs.                 |
| 1) Tangible Assets :  |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
| Land - Free Hold  | 2,39,96,417         | -             | -                          | 2,39,96,417         | -                  | -               | -                          | -                                 | -                  | 2,39,96,417         | 2,39,96,417         |
| Buildings *   | 33,92,55,266        | 19,29,787     | -                          | 34,11,85,053        | 10,21,78,653       | 1,08,57,412     | -                          | -                                 | 11,30,36,065       | 22,81,48,988        | 23,70,76,613        |
| Plant and Machinery   | 1,94,74,16,466      | 8,72,98,600   | (10,82,098)                | 2,03,36,32,968      | 1,36,84,20,643     | 13,84,99,353    | (2,75,947)                 | -                                 | 1,50,66,44,049     | 52,69,88,919        | 57,89,95,823        |
| Vehicles  | 1,30,65,859         | 22,17,000     | (5,63,985)                 | 1,47,18,874         | 71,38,574          | 14,25,652       | (4,00,902)                 | -                                 | 81,63,324          | 65,55,550           | 59,27,285           |
| Office Equipments   | 4,04,89,920         | 16,20,816     | -                          | 4,21,10,736         | 3,43,74,576        | 30,53,997       | -                          | -                                 | 3,74,28,573        | 46,82,163           | 61,15,344           |
| Furniture and Fixtures  | 2,40,10,997         | 20,900        | -                          | 24,031,897          | 2,22,98,273        | 7,09,125        | -                          | -                                 | 2,30,07,398        | 10,24,499           | 17,12,724           |
|   | 2,38,82,34,925      | 9,30,87,103   | (16,46,083)                | 2,47,96,75,945      | 1,53,44,10,719     | 15,45,45,539    | (6,76,849)                 | -                                 | 1,68,82,79,409     | 79,13,96,536        | 85,38,24,206        |
| 2) Intangible Assets :  |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
| Technology Transfer Cost  | 13,29,65,064        | -             | -                          | 13,29,65,064        | 11,83,15,805       | 31,92,949       | -                          | -                                 | 12,15,08,754       | 1,14,56,310         | 1,46,49,259         |
|   | 13,29,65,064        | -             | -                          | 13,29,65,064        | 11,83,15,805       | 31,92,949       | -                          | -                                 | 12,15,08,754       | 1,14,56,310         | 1,46,49,259         |
| TOTAL   | 2,52,11,99,989      | 9,30,87,103   | (16,46,083)                | 2,61,26,41,009      | 1,65,27,26,524     | 15,77,38,488    | (6,76,849)                 | -                                 | 1,80,97,88,163     | 80,28,52,846        | 86,84,73,465        |
| Previous Year   | 2,44,80,01,221      | (7,76,67,196) | (44,68,428)                | (2,52,11,99,989)    | (1,17,93,73,474)   | (19,59,02,688)  | (1,77,362)                 | (27,76,27,724)                    | (1,65,27,26,524)   | (86,84,73,465)      | (1,26,86,27,747)    |
| 3) Capital Work in Progress (Including Advances on Capital Account) ..... |                     |               |                            |                     |                    |                 |                            |                                   |                    |                     |                     |
|   |                     |               |                            |                     |                    |                 |                            |                                   |                    | 11,94,15,639        | 2,76,90,420         |
|   |                     |               |                            |                     |                    |                 |                            |                                   |                    | 92,22,68,485        | 89,61,63,885        |

\* Gross Block of Building includes Rs. 1,16,49,377/- (Rs. 1,16,49,377/-) being the cost of Residential Flats for employees at Palej / Silvassa  
\* Excluding cost of Shares held in Co-operative Housing Society disclosed under Investments.

## CONSOLIDATED NOTES TO BALANCE SHEET

|   | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|---|-------------------------------|-------------------------------|
| <b>NOTE 11 : NON-CURRENT INVESTMENTS</b>  |                               |                               |
| (Long Term, other than Trade Investments, at cost, unless otherwise stated)   |                               |                               |
| LONG TERM :   |                               |                               |
| UNQUOTED  |                               |                               |
| Government Securities -<br>6 years National Savings Certificates<br>(deposited with Government Authorities)   | 6,000                         | 6,000                         |
| Investments in Associates :   |                               |                               |
| 530000 (NIL) Equity Shares of Rs. 10/- each of<br>New Gen Wires & Coils Pvt. Ltd. fully paid at<br>Premium of Rs. 25/- per Share<br>– (includes Rs. 1,41,21,530/- of Goodwill arising<br>on acquisition of Associate) | 1,85,50,000                   | –                             |
| Add: Share of Current Profits/(Loss) of Associate   | (8,67,972)                    | –                             |
|   | 1,76,82,028                   | –                             |
| Other Investments :   |                               |                               |
| 100 (100) Equity Shares of Rs. 10/- each of<br>Mogaveera Co-Op Bank Ltd, fully paid   | 1,000                         | 1,000                         |
| 100 (100) Equity Shares of Rs. 10/- each of<br>Jankalyan Co-Op Bank Ltd, fully paid   | 1,000                         | 1,000                         |
| 110 (110) Equity Shares of Rs. 50/- each of<br>Basera Co-Op Hsg. Soc. Ltd, fully paid<br>(Relating to Residential Flats owned by the<br>Company and shown under the Note 10 - Fixed Assets)                           | 5,522                         | 5,522                         |
| 40 (NIL) Equity Shares of Rs.25/- each of<br>Vasai Vikas Sahakari Bank Ltd  | 1,100                         | –                             |
|   | 8,622                         | 7,522                         |
| <b>TOTAL</b>  | <b>1,76,96,650</b>            | <b>13,522</b>                 |
| <b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>   |                               |                               |
| Security Deposits   | 62,78,247                     | 63,39,843                     |
| <b>TOTAL</b>  | <b>62,78,247</b>              | <b>63,39,843</b>              |
| <b>NOTE 13 : INVENTORIES</b>  |                               |                               |
| INVENTORIES (At lower of cost or net realisable value)  |                               |                               |
| Raw Materials in Transit  | 15,25,42,060                  | 21,06,34,438                  |
| Raw Materials   | 19,07,58,470                  | 12,65,17,196                  |
| Work in Progress  | 27,05,14,292                  | 24,65,72,140                  |
| Finished Goods  | 26,23,15,269                  | 28,19,59,244                  |
| Stores, Spares and Consumables  | 6,84,90,441                   | 6,40,52,842                   |
| Reels and Packing Material  | 2,06,24,153                   | 1,95,89,269                   |
| Copper Scrap  | 92,05,151                     | 33,24,013                     |
| <b>TOTAL</b>  | <b>97,44,49,836</b>           | <b>95,26,49,142</b>           |
| <b>NOTE 14 : TRADE RECEIVABLES</b>  |                               |                               |
| (Unsecured, Considered Good)  |                               |                               |
| Outstanding overdue for a period exceeding six months   | 52,21,683                     | 1,57,30,343                   |
| Others  | 1,34,48,42,301                | 1,35,92,79,957                |
| <b>TOTAL</b>  | <b>1,35,00,63,984</b>         | <b>1,37,50,10,300</b>         |

---

CONSOLIDATED NOTES TO BALANCE SHEET

---

|  | As at<br>31/03/2016<br>Rupees | As at<br>31/03/2015<br>Rupees |
|--|-------------------------------|-------------------------------|
| <b>NOTE 15 : CASH AND CASH - EQUIVALENTS</b>                           |                               |                               |
| Balances with Banks  |                               |                               |
| – In Current Accounts  | 16,38,92,404                  | 17,54,17,735                  |
| – In Term Deposits (under lien with Government Authorities)            | 1,17,000                      | 92,000                        |
| Cheques in hand  | 6,550                         | 6,04,014                      |
| Cash on hand   | 6,17,694                      | 5,18,391                      |
| Balance in unpaid Dividend Accounts                                    | 59,73,892                     | 53,48,439                     |
| <b>TOTAL</b>   | <b>17,06,07,540</b>           | <b>18,19,80,579</b>           |
| <b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>                         |                               |                               |
| LOANS AND ADVANCES<br>(Unsecured, considered good)                     |                               |                               |
| Advances Recoverable in Cash or<br>in kind or for value to be received | 5,64,85,262                   | 4,72,02,671                   |
| Balance with Customs and Central Excise Authorities                    | 4,15,33,218                   | 6,66,60,246                   |
| <b>TOTAL</b>   | <b>9,80,18,480</b>            | <b>11,38,62,917</b>           |
| <b>NOTE 17 : OTHER CURRENT ASSETS</b>                                  |                               |                               |
| Export benefits accrued  | 2,69,92,242                   | 4,99,20,247                   |
| <b>TOTAL</b>   | <b>2,69,92,242</b>            | <b>4,99,20,247</b>            |

## CONSOLIDATED NOTES TO PROFIT AND LOSS STATEMENT

|  | 2015/16<br>Rupees     | 2014/15<br>Rupees      |
|--|-----------------------|------------------------|
| <b>NOTE 18 : REVENUE FROM OPERATIONS (GROSS)</b>   |                       |                        |
| Sale and Processing Income of Products   |                       |                        |
| Finished Goods (Own + Jobwork)   | 9,21,56,33,089        | 9,62,26,84,457         |
| Traded Goods   | 37,52,237             | 91,26,774              |
| Other Operating Revenue  |                       |                        |
| Scrap Sales  | 50,84,51,011          | 53,93,88,289           |
| Other Sales  | 31,28,714             | 26,04,530              |
| <b>Revenue from Operations (gross)</b>   | <b>9,73,09,65,051</b> | <b>10,17,38,04,050</b> |
| <b>NOTE 19 : OTHER INCOME</b>  |                       |                        |
| Interest   | 37,11,476             | 89,94,286              |
| Miscellaneous Receipts   | 1,23,30,117           | 2,22,04,778            |
| Profit on sale of asset (Net)  | 68,028                | —                      |
| Profit on sale of investment (Net)   | —                     | 12,67,483              |
| <b>TOTAL</b>   | <b>1,61,09,621</b>    | <b>3,24,66,547</b>     |
| <b>NOTE 20 : COST OF RAW MATERIAL CONSUMED</b>   |                       |                        |
| Stock at commencement  |                       |                        |
| Copper Wire Rods   | 25,02,20,181          | 10,30,06,719           |
| Enamels & Chemicals  | 6,55,15,733           | 5,31,74,742            |
| Others   | 2,14,15,720           | 2,83,76,067            |
|  | <b>33,71,51,634</b>   | <b>18,45,57,528</b>    |
| Add : Purchases  |                       |                        |
| Copper Wire Rods @   | 6,76,52,42,107        | 7,37,87,36,849         |
| Enamels & Chemicals  | 30,93,18,839          | 32,00,47,368           |
| Others   | 6,15,73,143           | 4,05,36,643            |
|  | <b>7,13,61,34,089</b> | <b>7,73,93,20,860</b>  |
| Less : Stock at close  |                       |                        |
| Copper Wire Rods @   | (25,22,23,013)        | (25,02,20,181)         |
| Enamels & Chemicals  | (6,07,72,575)         | (6,55,15,733)          |
| Others   | (3,03,04,942)         | (2,14,15,720)          |
|  | <b>(34,33,00,530)</b> | <b>(33,71,51,634)</b>  |
| <b>Total Cost of Raw Material Consumed</b>   | <b>7,12,99,85,193</b> | <b>7,58,67,26,754</b>  |
| @ Includes Material in Transit Rs. 15,25,42,060/- (Rs. 21,06,34,438/-).                      |                       |                        |
| <b>NOTE 21 : CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b> |                       |                        |
| Stock at close   |                       |                        |
| Finished Goods   | (25,39,28,649)        | (27,43,91,109)         |
| Copper Scrap   | (92,05,151)           | (33,24,013)            |
| Work-in-progress   | (27,05,14,292)        | (24,65,72,140)         |
| Wire Enamels   | (83,86,620)           | (75,68,135)            |
|  | <b>(54,20,34,712)</b> | <b>(53,18,55,397)</b>  |
| LESS :   |                       |                        |
| Stock at commencement  |                       |                        |
| Finished Goods   | 27,43,91,109          | 29,08,40,720           |
| Copper Scrap   | 33,24,013             | 33,29,011              |
| Work-in-progress   | 24,65,72,140          | 19,06,90,556           |
| Wire Enamels   | 75,68,135             | 1,95,34,451            |
|  | <b>53,18,55,397</b>   | <b>50,43,94,738</b>    |
| <b>(ACCRETION) / DECRETION IN INVENTORY</b>  | <b>(1,01,79,315)</b>  | <b>(2,74,60,659)</b>   |
| (Accretion) / Decretion in Excise Duty on Inventory of Finished Goods & Copper Scrap         | (16,21,766)           | 69,30,532              |
| <b>TOTAL</b>   | <b>(1,18,01,081)</b>  | <b>(2,05,30,127)</b>   |

---

CONSOLIDATED NOTES TO PROFIT AND LOSS STATEMENT

---

|  | 2015/16<br>Rupees   | 2014/15<br>Rupees   |
|--|---------------------|---------------------|
| <b>NOTE 22 : EMPLOYEE BENEFITS EXPENSE</b>                       |                     |                     |
| Salary, Wages & Bonus etc.                                       | 15,94,83,041        | 13,97,15,070        |
| Contributions to Provident and Other Funds                       | 1,17,38,648         | 1,20,77,317         |
| Staff and Labour Welfare   | 34,04,358           | 33,60,058           |
| <b>TOTAL</b>   | <b>17,46,26,047</b> | <b>15,51,52,445</b> |
| <b>NOTE 23 : FINANCE COSTS</b>                                   |                     |                     |
| Interest on Term Loans   | 10,73,421           | 59,10,358           |
| Other Interest (Bank & Others)                                   | 8,20,70,879         | 13,51,02,405        |
| Discounting Charges  | 63,76,192           | 67,00,488           |
| Applicable loss on foreign currency transactions and translation | 2,16,89,859         | (55,24,402)         |
| <b>TOTAL</b>   | <b>11,12,10,351</b> | <b>14,21,88,849</b> |
| <b>NOTE 24 : OTHER EXPENSES</b>                                  |                     |                     |
| Packing Material Consumed  | 7,82,94,374         | 7,31,09,162         |
| Stores and Spares & Components                                   | 4,26,62,418         | 3,42,35,040         |
| Power and Fuel   | 18,44,82,629        | 19,39,73,601        |
| Repairs and Maintenance  |                     |                     |
| Building   | 71,27,847           | 28,28,411           |
| Machineries  | 5,61,36,037         | 4,98,46,497         |
| Other Assets   | 31,07,097           | 32,56,970           |
| Directors' Sitting Fees  | 5,53,406            | 4,13,508            |
| Rent   | 1,14,39,527         | 1,19,68,524         |
| Rates and Taxes  | 21,28,306           | 28,36,614           |
| Travelling Expenses  | 53,47,538           | 59,91,978           |
| Insurance  | 93,12,864           | 93,15,591           |
| Freight and Transportation                                       | 10,37,80,265        | 10,41,01,850        |
| Commission on Sales  | 1,29,89,758         | 1,25,77,431         |
| Bad Debts Written Off  | 68,39,624           | 12,61,785           |
| Other Expenses   | 9,40,95,402         | 9,10,52,858         |
| Prior Period Expenses  | 5,82,318            | 1,87,398            |
| Loss on Sale of Assets (net)                                     | —                   | 4,82,319            |
| Insurance Claims Written Off                                     | 29,46,658           | —                   |
| Provision for Expenses under CSR                                 | 42,05,405           | 44,50,162           |
| Foreign Exchange Loss  | (48,34,362)         | 1,01,60,621         |
| <b>TOTAL</b>   | <b>62,11,97,111</b> | <b>61,20,50,320</b> |

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. GENERAL INFORMATION

Precision Wires India Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The consolidated financial statements relate to the Company and its associate. The Company and its associate are engaged in manufacturing of Winding Wires made of Copper of all types.

| Sr. No. | Name of the Company              | Country of Incorporation | Proportion of ownership of Interest |                  |
|---------|----------------------------------|--------------------------|-------------------------------------|------------------|
|         |                                  |                          | As on 31.03.2016                    | As on 31.03.2015 |
| 1       | Newgen Wires and Coils Pvt. Ltd. | India                    | 25.73%                              | —                |

For Disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information, refer below :

| Name of the entity in the  | Net Assets, i.e., total assets minus total liabilities |        | Share in profit or loss             |                  |
|--|--|--------|-------------------------------------|------------------|
|  | As % of consolidated net assets                        | Amount | As % of consolidated profit or loss | Amount           |
| <b>Parent Subsidiaries</b>   |  |        |                                     |                  |
| Indian   |  | NA     |                                     |                  |
| Foreign  |  | NA     |                                     |                  |
| <b>Minority Interests in all subsidiaries Associates (Investment as per the equity method)</b>   |  |        |                                     |                  |
| Indian   |  |        |                                     |                  |
| Newgen Wires and Coils Private Limited   |  |        |                                     |                  |
| Share of Profit in Associate**   |  |        |                                     | (867,972)        |
| Foreign  |  | NA     |                                     |                  |
| <b>Joint Ventures (as per proportionate consolidation / investment as per the equity method)</b> |  |        |                                     |                  |
| Indian   |  | NA     |                                     |                  |
| Foreign  |  | NA     |                                     |                  |
| <b>TOTAL</b>   | —  | —      | —                                   | <b>(867,972)</b> |

### B. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statements :

The consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 have been followed in preparation of these financial statements.

#### 2. Principles of Consolidation:

- Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23- "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- The Company accounts for its share of post- acquisition changes in net assets of associates through its Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.
- The financial statements of the associate used in the consolidation are drawn up to the same reporting date as that of the Company i.e 31<sup>st</sup> March, 2016, and have been consolidated based on Audited Financial Statements as certified by the management.

#### 3. 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.

#### 4. Fixed Assets and Depreciation :

- 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.

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- ii. Depreciation on Fixed Assets (except those described below) is provided on the 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:  
The management estimates the useful life of certain assets as follows :

|                          |         |
|--------------------------|---------|
| Wire Enamelling Machines | 8 years |
| Office Equipments        | 5 years |
| Computers                | 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.
  5. **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.
  6. **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. Long term investments in Associate are accounted for using equity method as per Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
  7. **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. Cost of Work in progress includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
    - iii. Closing stock of finished goods includes Excise duty payable thereon wherever applicable.
  8. **Excise duty / Service Tax :**

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.
  9. **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. 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. Sales are recognised at the point of despatch of goods to the customers. Sales are net of discounts, Sales Tax / VAT and Sales Returns.
    - iv. Interest income is recognised on time proportion basis.
    - v. Dividend on Investments is accounted when received.
    - vi. Insurance claim receivable is recognised in the year of the loss to the extent ascertainable.
  10. **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.
    - 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.
    - iii. 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 date 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.

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 11. Derivative Instruments :

The Company uses forward contracts to hedge its risks associated with foreign currency and commodity price fluctuations relating to firm commitment contracts and highly probable forecast transactions. The Company designates such forward contracts in hedging relationship by applying the hedge accounting principles as set out in the "Guidance Note on Accounting for Derivative Contracts" issued by ICAI. These forward contracts are stated at fair value at each reporting date. The contracts are marked to market and the gains and losses, if any, are recognised in the Statement of Profit and Loss, net of applicable deferred income taxes. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any gains or losses on the hedging instrument are recognised in the Profit and Loss Statement as on the date of settlement of such transactions. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss are recognised as income or expense for the period.

In accordance with Accounting Standard 11 ["Effects of changes in Foreign Exchange Rates"] and Accounting Standard 16 ["Borrowing Costs"] issued by the Institute of Chartered Accountants of India, on the Buyers Credits in Foreign Currency availed from time to time up to the time of their settlement or up to the time of creating hedge thereagainst, the Foreign Exchange Gain / Loss applicable on the amount of difference in borrowing cost in Indian Currency and borrowing cost of Buyers' Credits in Foreign Currency is accounted as "Applicable loss on foreign currency transactions and translations" under Finance Cost in the Profit and Loss Account.

### 12. 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. Contribution made to LIC is charged to Profit and Loss Account. Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the Profit and Loss in the period in which they arise.  
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.

### 13. 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.

### 14. 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.

## C. NOTES TO ACCOUNTS

|   | Rs. Lakhs<br>2015-16 | Rs. Lakhs<br>2014-15 |
|---|----------------------|----------------------|
| <b>1. (A) Contingent Liabilities and Commitments (to the extent not provided for) :</b>   |                      |                      |
| a. Disputed Wealth Tax Demands (not acknowledged) against which Company has preferred an appeal                                     | 3.40                 | 3.40                 |
| b. Disputed demands of Central Excise against erstwhile Atlas Wires Limited pending in Appeal                                       | 4.55                 | 4.55                 |
| c. Disputed demands of Central Excise pending in Appeal   | 5.00                 | 5.00                 |
| d. Guarantees given by Bank to third parties  | 2,593.84             | 2,707.88             |
| <b>1. (B) Estimated amount of Contracts remaining to be executed on Capital Account (net of advances paid) and not provided for</b> | <b>564.38</b>        | <b>71.02</b>         |

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### C. NOTES TO ACCOUNTS (Contd.)

#### 2. Information pursuant to part II of Schedule III of Companies Act, 2013.

|  |  | 2015-16             | 2014-15                                   |
|--|--|---------------------|---|
|  |  | Rs.                 | Rs.                                       |
| 2. (A) Value of Imports calculated on CIF Basis.<br>(Including Material in Transit)  |  |                     |   |
| 1. Raw Materials   |  | 1,61,03,12,270      | 1,43,97,43,143                            |
| 2. Components & Spares Parts, Packing Material & Repairs to Plant  |  | 1,14,54,405         | 72,59,294                                 |
| 3. Capital Goods   |  | 10,92,81,781        | 2,88,96,861                               |
| 2. (B) Value of Raw Materials and Stores & Spares consumed:  |  |                     |   |
| a. Raw Materials   |  |                     |   |
| Imported   |  | 23<br>(18)          | 1,63,89,52,747<br>(1,39,81,02,618)        |
| Indigenous   |  | 77<br>(82)          | 5,49,10,32,446<br>(6,18,86,24,136)        |
| <b>Total</b>   |  | <b>100</b><br>(100) | <b>7,12,99,85,193</b><br>(7,58,67,26,754) |
| b. Stores and Spares & Components :  |  |                     |   |
| Imported   |  | 26<br>(15)          | 1,09,79,386<br>(50,99,245)                |
| Indigenous   |  | 74<br>(85)          | 3,16,83,032<br>(2,91,35,795)              |
| <b>Total</b>   |  | <b>100</b><br>(100) | <b>4,26,62,418</b><br>(3,42,35,040)       |
| 2. (C) Expenditure in foreign Currency : (Other than Imports, on Accrual basis)  |  | 2015-16             | 2014-15                                   |
|  |  | Rs.                 | Rs.                                       |
| Membership Fees  |  | 7,55,488            | 4,57,933                                  |
| Professional Fees  |  | 6,65,637            | —   |
| Travelling   |  | 3,32,343            | 5,87,736                                  |
| Interest on Buyers Credit  |  | 24,63,906           | 27,46,249                                 |
| Commission on Sales  |  | 11,96,452           | 17,38,176                                 |
| Exhibition Expenses  |  | 6,02,387            | 8,21,449                                  |
| Technical Knowhow fees (Technology Transfer Cost)  |  | —                   | 93,29,386                                 |
| 2. (D) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND :   |  |                     |   |
| The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes investment where the amount is also credited to Non-Resident External Account (NRE A/c.). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below :- |  |                     |   |
|  |  | 2015-16             | 2014-15                                   |
| INTERIM DIVIDEND - I   |  |                     |   |
| (a) Number of Non-Resident Shareholders  |  | 55                  | 55  |
| (b) Number of Equity Shares held by them   |  | 93,733              | 1,28,441                                  |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees)  |  | 2,34,332            | 2,56,882                                  |
| (ii) Tax Deducted at Source  |  | —                   | —   |
| (iii) Year to which dividend relates   |  | 2015-16             | 2014-15                                   |
| INTERIM DIVIDEND - II  |  |                     |   |
| (a) Number of Non-Resident Shareholders  |  | 58                  | 56  |
| (b) Number of Equity Shares held by them   |  | 90,328              | 1,10,618                                  |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees)  |  | 1,35,492            | 1,10,618                                  |
| (ii) Tax Deducted at Source  |  | —                   | —   |
| (iii) Year to which dividend relates   |  | 2015-16             | 2014-15                                   |
| FINAL DIVIDEND   |  |                     |   |
| (a) Number of Non-Resident Shareholders  |  | 58                  | 45  |
| (b) Number of Equity Shares held by them   |  | 98,396              | 1,17,782                                  |
| (c) (i) Amount of Dividend Paid (Gross) (in Rupees)  |  | 2,45,990            | 2,35,564                                  |
| (ii) Tax Deducted at Source  |  | —                   | —   |
| (iii) Year to which dividend relates   |  | 2015-16             | 2013-14                                   |
| 2. (E) Earnings in Foreign Exchange :  |  | 2015-16             | 2014-15                                   |
|  |  | Rs.                 | Rs.                                       |
| Export of Goods on FOB Basis   |  | 89,21,99,018        | 95,09,68,712                              |
| Freight, Insurance   |  | 1,71,38,829         | 81,23,642                                 |
| <b>TOTAL</b>   |  | <b>90,93,37,847</b> | <b>95,90,92,354</b>                       |

**CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**C. NOTES TO ACCOUNTS (Contd.)****2. (F) Employee benefits :**

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below :

**A. Defined Contribution Plan :**

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

|   | 2015-16<br>Rs.   | 2014-15<br>Rs.   |
|---|------------------|------------------|
| Employers Contribution to Provident Fund                | 29,07,198        | 62,57,446        |
| Employers Contribution to Employees Pension Scheme 1995 | 44,27,695        | 34,44,631        |
| <b>TOTAL</b>  | <b>73,34,893</b> | <b>97,02,077</b> |

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.

**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.

**I. Reconciliation of Opening and closing Balances of Defined Benefit Obligation**

|   | Gratuity<br>(Funded)<br>2015-16<br>Rs. | Gratuity<br>(Un-Funded)<br>2015-16<br>Rs. | Gratuity<br>(Funded)<br>2014-15<br>Rs. | Gratuity<br>(Un-Funded)<br>2014-15<br>Rs. |
|---|--|---|--|---|
| Present Value of Defined Benefit Obligation as at beginning of the year | 2,65,65,713                            | 1,37,25,002                               | 2,32,43,197                            | 1,25,22,117                               |
| Interest Cost   | 21,25,257                              | —   | 18,70,498                              | —   |
| Current Service Cost  | 16,98,464                              | 24,94,616                                 | 15,50,843                              | 12,02,885                                 |
| Benefits Paid   | (65,52,504)                            | —   | (12,37,972)                            | —   |
| Actuarial (Gain)/Loss   | 34,17,977                              | —   | 11,39,147                              | —   |
| Present Value of Defined Benefit Obligation as at end of the year       | 2,72,54,907                            | 1,62,19,618                               | 2,65,65,713                            | 1,37,25,002                               |

**II. Reconciliation of Opening and closing Balances of Fair Value of Plan Assets**

|  |             |   |             |   |
|--|-------------|---|-------------|---|
| Fair Value of Plan assets at beginning of the year | 3,17,97,062 | — | 2,76,43,118 | — |
| Expected Return on Plan assets                     | 26,53,866   | — | 24,98,922   | — |
| Employers Contribution                             | 37,34,231   | — | 29,15,484   | — |
| Benefits Paid                                      | (65,52,504) | — | (12,37,972) | — |
| Actuarial (Gain)/Loss                              | (3,09,457)  | — | (22,490)    | — |
| Fair Value of Plan assets at end of the year       | 3,13,23,198 | — | 3,17,97,062 | — |
| Actual return on plan assets                       | 23,44,409   | — | 24,76,432   | — |

**III. Reconciliation of fair value of assets and obligations**

|   |             |   |             |   |
|---|-------------|---|-------------|---|
| Fair Value of Plan assets at end of the year                      | 3,13,23,198 | — | 3,17,97,062 | — |
| Present Value of Defined Benefit Obligation as at end of the year | 2,72,54,907 | — | 2,65,65,713 | — |
| Net Liability/(Asset) Recognised in the Balance Sheet             | (40,68,291) | — | (52,31,349) | — |

**IV. Expenses Recognised During the year**

|  |             |   |             |   |
|--|-------------|---|-------------|---|
| Current Service Cost   | 16,98,464   | — | 15,50,843   | — |
| Interest Cost  | 21,25,257   | — | 18,70,498   | — |
| Expected Return on Plan assets                               | (26,53,866) | — | (24,98,922) | — |
| Net Actuarial (Gain) / Loss                                  | 31,08,520   | — | 11,16,657   | — |
| Expenses Recognised During the year in Profit & Loss Account | 42,78,375   | — | 20,39,076   | — |

**V. Actuarial Assumptions**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Mortality Table (LIC)                    | 1994-96<br>(Ultimate) | 1994-96<br>(Ultimate) |
| Discount Rate (Per Annum)                | 8%                    | 8%                    |
| Expected rate of Return on Plan assets   | 8.35%                 | 9%                    |
| Rate of Escalation in Salary (Per Annum) | 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.

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### C. NOTES TO ACCOUNTS (Contd.)

|  | 2015-16<br>Rs.   | 2014-15<br>Rs.   |
|--|------------------|------------------|
| <b>2. (G) Remuneration to Auditors (excluding Service Tax) :</b> |                  |                  |
| Remuneration to Auditors   |                  |                  |
| (a) Audit Fees   | 10,00,000        | 10,00,000        |
| (b) Tax Audit Fees   | 1,00,000         | 1,00,000         |
| (c) Certification Fees   | 1,43,500         | 1,40,000         |
| <b>TOTAL</b>   | <b>12,43,500</b> | <b>12,40,000</b> |

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.

|   | 2015-16<br>Rs.  | 2014-15<br>Rs.  |
|---|-----------------|-----------------|
| <b>2. (H) Expenses/Debits and (Income / Credits) pertaining to previous year(s) :</b> |                 |                 |
| Manufacturing   | 1,15,727        | —               |
| Administration & Selling Expenses   | 4,66,591        | 1,87,398        |
| <b>TOTAL</b>  | <b>5,82,318</b> | <b>1,87,398</b> |

3. a) Bank borrowings from Bank of Baroda (Term Loan and Working Capital facilities) are secured by a first charge on Hypothecation of Machinery, Stock-in-Trade, Book Debts and Equitable Mortgage of Land, Factory & Residential Buildings of the Company and in addition, are guaranteed by Executive Directors.
- b) Unsecured Working capital facilities from Kotak Mahindra Bank Ltd, BNP Paribas, Ratnakar Bank Ltd, Yes Bank Ltd and Societe Generale Bank are guaranteed by Executive Directors.

#### 4. Derivative Instruments and Unhedged Foreign Exposures :

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 (Forward Contracts) outstanding (for hedged transactions mentioned below) as on 31.03.2016:

| Particulars             | 2015-16                    |                          | 2014-15                    |                          |
|-------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                         | Amount in Foreign Currency | Equivalent Amount in Rs. | Amount in Foreign Currency | Equivalent Amount in Rs. |
| Creditors(Raw Material) | \$ 31,05,035               | 20,59,65,953             | \$ 18,10,000               | 11,32,89,348             |
| Debtors                 | € —                        | —                        | € 1,93,000                 | 1,30,29,430              |
|                         | \$ —                       | —                        | \$ 1,51,000                | 94,51,241                |

Details of Derivative Instruments (Future Contracts) outstanding (for hedged transactions mentioned below) as on 31.03.2016

| Particulars                             | 2015-16 |               | 2014-15 |               |
|---|---------|---------------|---------|---------------|
|   | MTS     | Amount in Rs. | MTS     | Amount in Rs. |
| Inventory Hedged using Future Contracts | 300     | 9,77,70,000   | —       | —             |

#### B. Details of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31.03.2016 - Figures mentioned in Table below for Sundry Creditors are in respect of Import of Plant & Machinery / Raw Material

| Particulars                 | 2015-16                    |                          | 2014-15                    |                          |
|-----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                             | Amount in Foreign Currency | Equivalent Amount in Rs. | Amount in Foreign Currency | Equivalent Amount in Rs. |
| Creditors for Capital Goods | € 7,05,600                 | 5,29,87,385              | € 1,74,000                 | 1,17,46,809              |
| Creditors for Capital Goods | \$ 4,25,750                | 2,82,41,232              | \$ 2,100                   | 1,31,439                 |
| Creditors (Raw Material)    | € —                        | —                        | € 34,440                   | 23,25,044                |
| Creditors (Raw Material)    | \$ —                       | —                        | \$ 25,31,142               | 15,84,26,169             |
| Creditors (Raw Material)    | SEK 2,19,431               | 17,83,971                | SEK 2,93,243               | 21,31,521                |
| Loans & Advances            | € 26,116                   | 19,25,010                | € —                        | —                        |
| Debtors                     | € —                        | —                        | € 3,52,999                 | 2,38,30,964              |
|                             | \$ 29,65,554               | 19,67,13,734             | \$ 30,88,037               | 19,32,82,656             |

**CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ON ACCOUNTS**

**C. NOTES TO ACCOUNTS (Contd.)**

5. In accordance with ASI 14 (Revised) on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on sales amounting to Rs. 1,29,61,04,265/- (Rs.1,36,60,58,599/-) has been reduced from sales in Profit and Loss account and [Accretion]/Decretion of Excise Duty on Inventory of Finished Goods amounting to Rs. [16,21,766/-] Previous Year Rs (69,30,532/-) has been accounted in the profit and loss account under Note 21 - "Changes in Inventory of Finished Goods, Work-in-Progress and Stock-In-Trade".
6. 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.
7. Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India are given below :

## a) Key Management personnel and their relatives :

|  |   |   |
|--|---|---|
| Chairman & Managing Director<br>Shri Mahendra R. Mehta | Managing Director<br>Shri Milan M. Mehta  | Whole Time Director<br>Shri Deepak M. Mehta   |
| Relative<br>Mrs. S. M. Mehta, Wife #                   | Relative<br>Mrs. G. M. Mehta, Wife<br>Master A. M. Mehta, Son<br>Miss M. M. Mehta, Daughter<br>Milan Mahendra Mehta (HUF) | Relative<br>Mrs. S. D. Mehta - Wife<br>Mr. N. D. Mehta, Son<br>Mrs. A. N. Mehta, Daughter-in-law<br>Deepak Mahendra Mehta (HUF) |

# Mrs S. M. Mehta deceased on 10<sup>th</sup> July, 2015

Shri Milan M Mehta and Shri Deepak M Mehta are the Children of Shri Mahendra R. Mehta and Mrs S. 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:

| Particulars                               | Nature of Transaction | 2015-16<br>Rs. | 2014-15<br>Rs. |
|---|-----------------------|----------------|----------------|
| Key Management Personnel and Relatives    | Rent Paid             | 62,82,720      | 62,82,720      |
| Key Management Personnel and Relatives    | Remuneration          | 2,86,05,645    | 2,22,13,559    |
| Newgen Wires & Coils Pvt Ltd. (Associate) | Purchase              | 30,702         | —              |
| Newgen Wires & Coils Pvt Ltd. (Associate) | Sale                  | 13,88,652      | —              |

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

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

| Sales / Purchase & Processing Income etc. | 2015-16<br>Rs. | 2014-15<br>Rs. |
|---|----------------|----------------|
| - Enamels, Chemicals etc.                 | 16,34,51,002   | 15,72,93,256   |
| - Stores, Spares & Packing Material       | 40,88,247      | 38,05,045      |
| - Copper Wire Rods Conversion Chgs        | 12,36,55,703   | 18,96,04,092   |

- b) The profit arising on transfer of material by one Unit to another and in Stock as at 31<sup>st</sup> March 2016 has been excluded from the valuation of relevant closing stock in the accounts of the Company.

9. The Company has certain dues to Suppliers registered under the Micro Small and Medium Enterprises development Act 2006 (MSMED ACT). The disclosure pursuant to the said MSMED Act are as follows :

|  | 31 <sup>st</sup> March, 2016<br>Rs. | 31 <sup>st</sup> March, 2015<br>Rs. |
|--|-------------------------------------|-------------------------------------|
| Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end | 1,23,31,587                         | 2,24,670                            |
| Interest due to supplier registered under the MSMED Act and remaining unpaid as at year end.     | 4,180                               | 1,720                               |

## CONSOLIDATED NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### C. NOTES TO ACCOUNTS (Contd.)

#### 10. Future Obligations in case of Lease Agreements:

|   | As on 31.03.2016<br>Rs. | As on 31.03.2015<br>Rs. |
|---|-------------------------|-------------------------|
| Within one year                                   | 1,06,64,236             | 1,19,68,524             |
| Later than one year and not later than five years | 1,01,63,400             | 2,58,52,705             |
| <b>Total</b>                                      | <b>2,08,27,637</b>      | <b>3,78,21,229</b>      |

#### 11. 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.

|   | As on 31.03.2016<br>Rs. | As on 31.03.2015<br>Rs. |
|---|-------------------------|-------------------------|
| a Profit after tax                                | 16,94,28,822            | 10,10,38,817            |
| b Weighted Average Number of Shares               | 2,31,27,246             | 1,15,63,623             |
| c Basic & Diluted EPS before Extra Ordinary Items | 7.33                    | 8.74                    |
| d Basic & Diluted EPS after Extra Ordinary Items  | 7.33                    | 8.74                    |
| e Face value per share                            | 5.00                    | 10.00                   |

#### 12. Figures in brackets pertain to the previous year.

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

As per our report of even date.

For and on behalf of the Board

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

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**Shalin S. Divatia**  
Partner  
Membership No. 39755  
Firm Registration No. 102646W

**Nishthi H. Dharmani**  
Company Secretary

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

Mumbai,  
Dated : 26<sup>th</sup> May, 2016

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars   | Details     |
|---------|---|-------------|
| 1.      | Name of the subsidiary  | <b>None</b> |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | —           |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | —           |
| 4.      | Share capital   | —           |
| 5.      | Reserves & surplus  | —           |
| 6.      | Total assets  | —           |
| 7.      | Total Liabilities   | —           |
| 8.      | Investments   | —           |
| 9.      | Turnover  | —           |
| 10.     | Profit before taxation  | —           |
| 11.     | Provision for taxation  | —           |
| 12.     | Profit after taxation   | —           |
| 13.     | Proposed Dividend   | —           |
| 14.     | % of shareholding   | —           |

**Notes :** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(in Rupees)

|   |  |
|---|--|
| Name of associates/Joint Ventures   | NEWGEN WIRES & COILS PVT. LTD.   |
| 1. Latest audited Balance Sheet Date  | 31.03.2016   |
| 2. Shares of Associate/Joint Ventures held by the company on the year end     |  |
| No.   | 5,30,000   |
| Amount of Investment in Associates/Joint Venture                              | 1,85,50,000  |
| Extend of Holding%  | 25.73%   |
| 3. Description of how there is significant influence                          | There is significant influence due to percentage (%) of Share Capital. |
| 4. Reason why the associate/joint venture is not consolidated                 | —  |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | 35,60,498  |
| 6. Profit/Loss for the year   |  |
| i. Considered in Consolidation  | (8,67,972)   |
| ii. Not Considered in Consolidation   | —  |

- Names of associates or joint ventures which are yet to commence operations: **None**
- Names of associates or joint ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board

**Mahendra R. Mehta**  
Chairman, Managing Director & CEO  
(DIN: 00003558)

**Milan M. Mehta**  
Vice Chairman & Managing Director  
(DIN: 00003624)

**Nishthi H. Dharmani**  
Company Secretary

**C. Mohandas Pai**  
Chief Financial Officer

Mumbai,  
Dated : 26th May, 2016

**ATTENDANCE SLIP****PRECISION WIRES INDIA LIMITED**

CIN: L31300MH1989PLC054356

Registered Office : Saiman House, J A Raul Street, Off Sayani Road, Prabhadevi, Mumbai-400 025.  
Tel.: 91-22-24376281 • Fax : 91-22-24370687 • Email: mumbai@pwil.net • Website: www.precisionwires.com

**THIS SLIP MAY PLEASE BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

\*DP Id

Regd. Folio No.

\*Client Id

No. of Shares held

Full Name of Shareholders/Proxy (in Block Letters)

I/We hereby record my presence at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, 28th September, 2016** at the Hall of The Mysore Association, 1st Floor, 393 Bhaudaji Road, Maheshwari Udyan (Kings' Circle), Matunga (Central Railway), Mumbai - 400 019.

\* Applicable for members holding shares in Electronic Form.

Signature of the Shareholder / Proxy

**NOTES :**

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all members whose email is not registered or have requested for a hard copy.

**PROXY FORM****PRECISION WIRES INDIA LIMITED**

CIN: L31300MH1989PLC054356

Registered Office : Saiman House, J A Raul Street, Off Sayani Road, Prabhadevi, Mumbai-400 025.  
Tel.: 91-22-24376281 • Fax : 91-22-24370687 • Email: mumbai@pwil.net • Website: www.precisionwires.com

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

|                       |                      |
|-----------------------|----------------------|
| Name of the member(s) | E-mail Id            |
| Registered Address    | Folio No./*Client Id |
|                       | *DP Id               |

I/We, being the member(s) of \_\_\_\_\_ shares of Precision Wires India Limited, hereby appoint:

1. Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_
2. Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_
3. Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Wednesday, September 28, 2016 at 02.30 p.m. at the Hall of The Mysore Association, 1st Floor, 393, Bhau Daji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway) Mumbai-400019 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr.No. | Resolutions   |
|--------|---|
| 01     | Adoption of the Financial Statements of the Company for the year ended 31st March, 2016 including Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon. |
| 02     | Confirmation and approval of Two Interim Dividends paid and declaration of Final Dividend payable for the Financial year ending 31st March, 2016.   |

P.T.O.



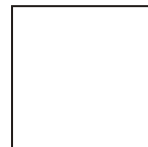
| Sr.No. | Resolutions   |
|--------|---|
| 03     | Appointment of a Director in place of Shri Deepak M. Mehta (DIN: 00003646), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment. |
| 04     | Re-appointment of M/s S R Divatia & Co., Chartered Accountants (ICAI Registration No.102646W) as statutory auditors of the Company and fix their remuneration.                                |
| 05     | Ratification of Remuneration to Cost Auditor for the FY 16-17.  |
| 06     | Re-appointment of Shri Deepak M Mehta (holding DIN: 00003646) as a Whole Time Director.   |
| 07     | Change of Place of Keeping and Inspection of Register and Index of Members, Returns, etc.   |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Signature  
with Revenue Stamp of Re.1/-** ➔



**NOTES :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of Meeting.
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 27th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

**\*APPLICABLE FOR MEMBERS HOLDING SHARES IN ELECTRONIC FORM**

Google Maps

## Matunga Railway Station to Mysore Association Auditorium

Walk 700 m, 9 min



Map data ©2016 Google 100 m



via Bhandarkar Marg

9 min

700 m



via Telang Rd

9 min

750 m



via Telang Rd and Bhandarkar Marg

10 min

750 m

[illegible]



**REGISTERED POST / SPEED-POST / COURIER**



**PRECISION**

*If undelivered, please return to :*

**PRECISION WIRES INDIA LTD.**

CIN : L31300MH1989PLC054356

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

Telephone : 91-22-24376281 • Fax : 91-22-24370687

Email : [mumbai@pwil.net](mailto:mumbai@pwil.net) • Website : [www.precisionwires.com](http://www.precisionwires.com)