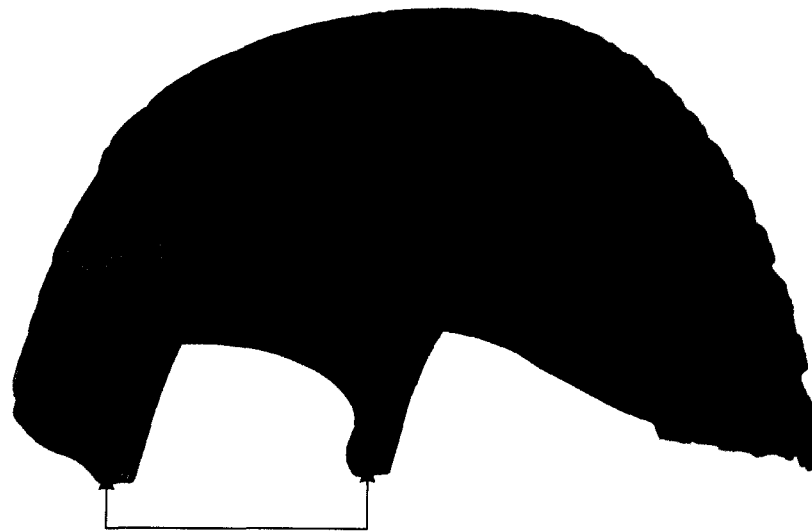


Sixteenth Annual Report
2003-2004

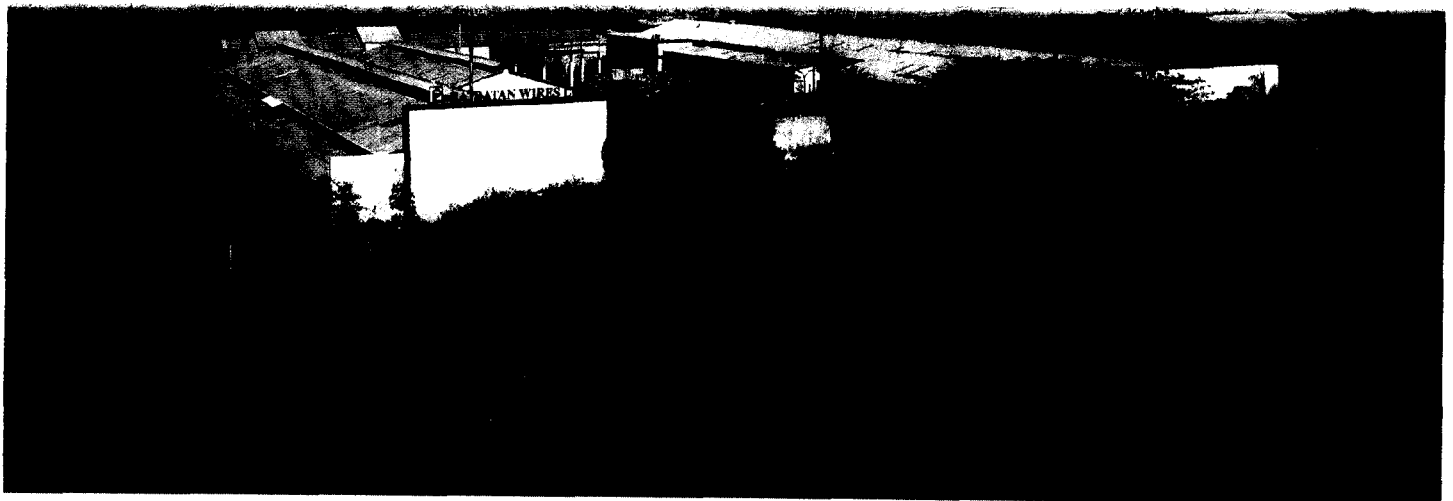


RAJRATAN
GUSTAV WOLF
LIMITED



TYRE BEAD WIRE

Rajratan has been producing bead wire since 1995 for the tyre industry at its modern factory at Pithampur, which is 25 kms. from Indore, a prominent business city in central India. The quest for quality, excellence and progress driven by the total dedication of a competent and professional management team is the hallmark of Rajratan.



BOARD OF DIRECTORS

Mr. Chandanmal Chordia
Mr. Nemnath Jain **
Mr. Mofatraj Munot
Mr. Nihalchand Kothari
Dr. Ing. Ernst Wolf
Mr. Sanjay Pasari
Mr. S.S. Mehta *
Mr. P.D. Nagar *
Mr. Sunil Chordia
Mr. Dilip Deshmukh

Chairman & Whole-time Director
*Director ***
Director.
Director
Director
Director
*Director **
*Director **
Managing Director
Executive Director

** appointed on 10th July 2003*

*** resigned on 11th April 2003*

COMPANY SECRETARY

Mrs. Anjali Javeri

BANKERS

State Bank of India
Industrial Finance Branch
A.B. Road, Near G.P.O.,
Indore - 452 001 (M.P.)

IDBI Bank Ltd.
Alankar Chambers,
Ratlam Kothi, A.B. Road,
Indore - 452 001 (M.P.)

AUDITORS

Trilok Jain & Co.
Chartered Accountants
Bansi Trade Centre, M.G. Road,
Indore 452 001 (M.P.)

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited
Investor Relation Center,
307, City Center, IIIrd Floor,
570, M.G. Road,
Indore - 452 003 (M.P.)

REGISTERED OFFICE

RAJRATAN HOUSE
11/2, Meera Path, Dhenu Market,
Indore - 452 003 (M.P.) INDIA
www.rgwl.co.in

PLANT

Plot No. 200-A & B, Sector I,
Industrial Area, Pithampur
District Dhar (M.P.) INDIA

NOTICE

NOTICE is hereby given that Sixteenth Annual General Meeting of the Members of the Company will be held on Friday the 11th June, 2004 at 10.00 A.M. at the Registered office of the Company at 11/2, Meera Path, Dhenu Market, Indore, Madhya Pradesh -452 003 to transact the following:

I. ORDINARY BUSINESS:

1. To consider, approve and adopt the Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To consider and approve payment of dividend.
3. To appoint a director in place of Mr. Nihalchand Kothari, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint a director in place of Dr. Ing. Ernst Wolf, who retires by rotation and being eligible offers himself for re- appointment.
5. To appoint M/s Trilok Jain & Co., Chartered Accountants, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:**6. RE-APPOINTMENT OF MR. SUNIL CHORDIA AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION** :

"**RESOLVED THAT** in terms of provisions of Sections 198, 269, 302, 309, 310, 311 read with provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary approval of members be and is hereby accorded for reappointment of Mr. Sunil Chordia as the Managing Director of the Company for a period of five years w.e.f. 1st April 2004 on the following remuneration:

- a) Basic Salary: Rs. 80,000/- per month
- b) House Rent Allowance: Equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary
- e) Ex-Gratia: Equivalent to one month's Salary.

RESOLVED FURTHER THAT Mr. Sunil Chordia, Managing Director of the Company shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the business of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion may consider necessary, expedient and desirable and to vary, modify the terms and conditions and to settle any question or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit;

RESOLVED FURTHER THAT all the decisions and actions taken by Mr. Sunil Chordia, as Managing Director of the Company from the date of re-appointment till the date of the Annual

General Meeting be and are hereby ratified and confirmed."

7. REVISION OF REMUNERATION OF MR. DILIP DESHMUKH, EXECUTIVE DIRECTOR OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of Members be and is hereby accorded for the revision and increase in the remuneration of Mr. Dilip Deshmukh, Executive Director of the Company w.e.f. 1st April, 2004 for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 65,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary
- e) Ex-Gratia : Equivalent to one month's Salary."

8. APPOINTMENT OF MR. S. S. MEHTA AS DIRECTOR

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** in terms of provisions of section 257 of the companies Act, 1956, approval of the members of the Company be and is hereby granted for the appointment of Mr. S. S. Mehta as a Director of the Company liable to retire by rotation."

9. APPOINTMENT OF MR. P. D. NAGAR AS DIRECTOR

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** in terms of provisions of section 257 of the companies Act, 1956, approval of the members of the Company be and is hereby granted for the appointment of Mr. P. D. Nagar as a Director of the Company liable to retire by rotation."

III. SPECIAL BUSINESS BY SPECIAL RESOLUTION:**10. RE-APPOINTMENT OF MR. CHANDANMAL CHORDIA AS CHAIRMAN AND WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **SPECIAL RESOLUTION**:

"**RESOLVED THAT** in terms of provisions of Sections 198, 269, 302, 309, 310, read with provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, approval of members be and is hereby accorded for re-appointment of Mr. Chandanmal Chordia as the Chairman and whole time Director of the Company for a period of five years w.e.f. 1st April, 2004 on the following remuneration:

- a) Basic Salary Rs. 60,000/- per month
- b) House Rent Allowance equivalent to 25% of salary

- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary.
- e) Ex-Gratia: Equivalent to one month's Salary."

RESOLVED FURTHER THAT Mr. Chandanmal Chordia, Chairman and whole time Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the business of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion may consider necessary, expedient and desirable and to vary, modify the terms and conditions and to settle any question or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit;

RESOLVED FURTHER THAT all the decisions and actions taken by Mr. Chandanmal Chordia, as Chairman and whole-time Director of the Company from the date of re-appointment till the date of the Annual General Meeting be and are hereby ratified and confirmed."

11. CHANGE OF NAME OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **SPECIAL RESOLUTION**:

"RESOLVED THAT in terms of provisions of section 21 of the Companies Act, 1956 approval of the Members of the Company be and is hereby accorded for change of name of the Company, from Rajratan Gustav Wolf Limited to **RAJRATAN GLOBAL WIRE LTD.**;

RESOLVED FURTHER THAT necessary changes be made in the Memorandum and Articles of Association, Common Seal, bills, letter pads, vouchers, receipts, and any other document or paper on which name of the Company appears as Rajratan Gustav Wolf Limited;

RESOLVED FURTHER THAT Mr. Chandanmal Chordia, Chairman and whole-time Director of the Company or Mr. Sunil Chordia Managing director of the Company, be and is hereby authorised to submit necessary documents to the Registrar of Companies, and to take all necessary actions in this regard as may be required to give effect to this resolution."

12. DELISTING OF SECURITIES OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **SPECIAL RESOLUTION**:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being, in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, which may be agreed to by the board of Directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the board by this resolution), consent is hereby accorded to the board to delist the Company's 3750600 shares from Madhya Pradesh Stock Exchange, Indore;

RESOLVED FURTHER THAT Board of Directors of the Com-

pany be and is hereby authorised to settle all questions, difficulties or doubts that may arise in this regard and do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution."

By Order of the Board
Chandanmal Chordia
Chairman

Indore

Dated: 21st April 2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE MEETING.
2. The explanatory statements setting out the material facts in respect of the business under item No. 6 to 12 in terms of provisions of Section 173(2) of the Companies Act, 1956 are annexed hereto.
3. The Register of Members and the share transfer book of the Company will remain closed from Saturday 29th May 2004 to Friday 4th June 2004 (Both days inclusive).
4. Payment of dividend as recommended by the Board, if approved at the Annual General Meeting, will be made payable on or after 16th June, 2004 in respect of shares held in physical form to those members whose name appear in the Company's Register of Members as on 29th May 2004 and in respect of shares held in electronic form, to those "deemed members" whose name appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 29th May 2004.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during working hours on all days except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
6. The additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking election is furnished herewith.
7. With a view to providing protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to provide, if not already provided earlier, their bank account number, name and address of the bank branch to the Company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, in the format attached herewith, quoting their folio numbers to enable the Company to incorporate the said details on the dividend warrants. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.
8. Members are requested to notify any change in their address/ Bank Mandate to the Company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, and in case their shares are held in demat form, this information should be sent to the Depository Participant with whom they hold their account.
9. Members are entitled to make nomination in respect of shares

held by them. Members desirous of making nominations are requested to send Form No. 2B duly filled in and signed by them to the Company's Registrars & Transfer Agents incase the shares are held in physical form and to the Depository Participants in case the shares are held in electronic form.

10. Those members who have not received/encashed dividend warrants for the financial years 1999-2000 and onwards may approach to the Company for the issue of duplicate dividend warrants. It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the Central Government, no claim shall

lie in respect thereof.

11. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company Secretary at least seven days before the date of the meeting at the Registered Office to make the required information available
12. Members are requested to bring their copy of the Annual Report to the Meeting as the practice of distributing copies of accounts in the meeting has been discontinued.

ANNEXURE TO THE NOTICE

Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors appointed/ re-appointed, seeking re-election under item nos. 3, 4, 6, 7, 8, 9 and 10:

S. No.	Name & Designation of appointee	Qualifications	Age in years	Experience	Date of appointment	Other Directorship[s, if any
1	Mr. Chandanmal Chordia	B. Com. (Hons.)	70	44	09.09.1988	Rajratan Investments Ltd.
2	Mr. Sunil Chordia	MBA	41	19	09.09.1988	Rajratan Investments Ltd
3	Mr. S. S. Mehta	BE, MBA	50	25	10.07.2003	Kriti Industries Ltd.
4	Mr. P. D. Nagar	B. Com., LLB, FCA	59	36	10.07.2003	Ruchi Soya Industries Ltd. M. P. Glychem Industries Ltd. National Steel & Agro Industries Ltd.
5	Mr. Dilip Deshmukh	M. Tech.	50	25	31.05.1997	NIL
6	Mr. Nihalchand Kothari	B. Com.	62	38	25.05.1994	NIL
7	Dr. Ing. Ernst Wolf	Doctor of Engineering	51	27	25.09.1998	Gustav Wolf Cord & Wire Ltd.

EXPLANATORY STATEMENT PERSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 6

The Board of Directors of the Company at its Meeting held on 21st April 2004, re-appointed Mr. Sunil Chordia, as Managing Director for a period of five years w.e.f. 1st day of April 2004 to 31st March 2009.

The terms of appointment of Mr. Sunil Chordia were considered and approved by the Remuneration Committee of the Board of Directors, as per the details furnished in the relevant resolution.

Past remuneration of Mr. Sunil Chordia was Rs. 7,00,000/- p.a.

JOB PROFILE AND SUITABILITY:

Under the leadership of Mr. Sunil Chordia, the Company has made rapid strides in the Tyre Bead Wire business. Mr. Sunil Chordia has been largely instrumental in the moves of the Company to the international market and it is to his vision that the Company is continuously getting approvals from major Tyre manufacturers in the Global market.

COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON

The prevalent levels of remuneration in manufacturing industries, in general and steel industry, in particular, are higher. Taking into account the turnover of the Company, Mr. Sunil Chordia's academic qualification, rich experience, his invaluable contribution to the Company, the increasingly key role he played in the turnaround, besides the present remuneration of the appointees and comparable remuneration levels in the country, proposed remuneration of Mr. Sunil Chordia is reasonable and befits his position.

In terms of provisions of section 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 the approval of the members of the Company is being sought to confirm re-appointment of Mr. Sunil Chordia, as Managing Director of the Company as set out in the resolution.

Directors recommend passing of the resolution as **ORDINARY RESOLUTION**.

Mr. Chandanmal Chordia and Mr. Sunil Chordia are interested in the resolutions.

The Explanatory Statement is and may be treated as an abstract under section 302 of the Companies Act, 1956.

Item No. 7

Having regard to the technical expertise possessed by Mr. Dilip Deshmukh and the increasing complexities in the business and whole time devotion towards the growth of the Company, the Board is of the view that the remuneration of Mr. Dilip Deshmukh, Executive Director of the Company deserves to be sufficiently increased and revised.

The members at the time of his appointment had sanctioned a remuneration of Rs. 45,000/- per month, which is proposed to be increased to Rs. 65,000/-.

In terms of provisions of Companies Act, 1956, approval of the members is being sought to increase and revise his remuneration as set out in item no. 7 of the notice by way of **ORDINARY RESOLUTION**.

None of the Directors of the Company are concerned or interested in the resolution except Mr. Dilip Deshmukh

The revision as per the details furnished and as set out in the resolution has been approved by the Remuneration Committee of the Board of Directors, and on their recommendation it has been approved by

the Board of Directors at their meeting held on 21st April 2004. The Explanatory Statement is and may be treated as an abstract under section 302 of the Companies Act, 1956.

Item No. 8 and 9

As per the SEBI guidelines for Corporate Governance, the Board of Directors of the Company shall have an optimum combination of executive and non-executive directors. It was therefore considered necessary to appoint qualified and competent directors on the Board to maintain the transparency and unbiased and independent monitoring and supervision, and to take advantage of their varied experience.

Mr. S. S. Mehta and Mr. P. D. Nagar were appointed as additional directors of the Company w.e.f. 10th July 2003 in terms of provisions of Section 260 of the Companies Act, 1956 and their tenure as the Directors of the Company is expiring on 11th June 2004 being the date of the annual general meeting.

The Company has received a notice in writing from a shareholder for appointment of Mr. S. S. Mehta and Mr. P. D. Nagar as Directors of the Company, in terms of provisions of Section 257 of the Companies Act, 1956.

The Board of Directors recommend passing of the resolutions at item nos. 8 and 9 as ORDINARY RESOLUTIONS.

Except Mr. S. S. Mehta and Mr. P. D. Nagar no other Directors are interested in the resolutions.

Item No. 10

The Board of Directors of the Company at its Meeting held on 21st April 2004, re-appointed Mr. Chandanmal Chordia, as Chairman and wholetime Director for a period of five years w.e.f. 1st day of April 2004 to 31st March 2009.

The terms of appointment of Mr. Chandanmal Chordia were considered and approved by the Remuneration Committee of the Board of Directors, as per the details furnished in the relevant resolution.

Past remuneration of Mr. Chandanmal Chordia was Rs. 5,60,000/- p.a.

COMPARATIVE REMUNERATION PROFILE W.R.L. INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON.

The prevalent levels of remuneration in manufacturing industries, in general and steel industry, in particular are higher. Taking into account the turnover of the Company, Mr. Chandanmal Chordia's invaluable contribution to the Company, his role in placing the Company in a pre-eminent position on the industrial map of India and full time devotion and involvement in running the Company and taking care of its day to day activities, the proposed reappointment of Mr. Chandanmal Chordia as Chairman and wholetime Director inspite of his attaining the age of 70 years is reasonable and in the interest of the Company.

In terms of provision of sections 198, 269, 309, 310 and schedule XIII to the Companies Act, 1956 the approval of the members of the Company is being sought to confirm re-appointment of Mr. Chandanmal Chordia as Chairman and wholetime Director of the Company as set out in the resolution.

The Board of Directors recommend the passing of resolution as SPECIAL RESOLUTION.

Mr. Chandanmal Chordia and Mr. Sunil Chordia are interested in the resolution.

The explanatory statement is and may be treated as an abstract

under section 302 of the Companies Act, 1956.

Item No. 11

The name of Gustav Wolf was added to the name of the Company to give effect to the conditions of the collaboration agreement signed by the Company. However, as the Collaboration agreement has been terminated w.e.f. dt. 1st October 2003, it is considered necessary to delete the name of Gustav Wolf from the name of the Company.

Therefore the Board of Directors decided and approved the new name as **RAJRATAN GLOBAL WIRE LIMITED** which has also made available to the company by the Registrar of Companies, Madhya Pradesh vide letter no. ROC-GC/15990/sta/2004/6338.

In terms of provisions of Section of 21 of the Companies Act, 1956 approval of the members of the Company is being sought for change of name of the Company and the Board recommends passing of resolution at item no. 11 above as SPECIAL RESOLUTION.

None of the Directors of the Company are concerned or interested in the resolution.

Item No. 12

Presently the Company's equity shares are listed on the Stock Exchange, Mumbai, and Madhya Pradesh Stock Exchange, Indore.

It has been observed that the trading volume of Company's shares on the Madhya Pradesh Stock Exchange at Indore (hereinafter referred to as "the said Stock Exchange ") are NIL. The annual recurring listing fee paid to the said stock exchange do not now offer commensurate benefits to the Company and its investors, in the changed scenario of the nation-wide trading terminals set up by the BSE. As such to continue listing on the said stock exchange is not considered necessary and the delisting would further contribute to reduction in the administrative cost of the Company. Therefore the Board of directors at its meeting held on 21.04.2004 has decided to apply for the voluntary delisting of the Company's shares from the said stock exchange.

The proposed voluntary delisting of the Company's shares from the said stock exchange will not affect the investors including the members located in the region where the said stock exchange is situated as the company's shares are listed on BSE having nation wide network. Pursuant to the SEBI (Delisting of securities) Guidelines, 2003, it is now proposed to seek the member's approval by way of special resolution for voluntary delisting of the Company's shares from the said stock exchange as set out in the resolution at item No.12. In terms of the said guidelines, as the Company's shares shall continue to remain listed on BSE, no exit option is required to be offered to the shareholders as the shareholders will continue to have the benefit of trading on BSE with ease because of the connectivity all over India.

The proposed delisting is in the interest of the Company and the Board recommended the resolution for the acceptance by the members.

None of the directors is in any way, concerned or interested in the resolution.

Indore
Date: 21st April 2004

By Order of the Board
Chandanmal Chordia
Chairman

DIRECTOR'S REPORT

The Directors hereby present their Sixteenth Annual Report on the state of affairs and the audited accounts for the financial year ended on 31st March 2004.

FINANCIAL RESULTS:

	(Rs in lacs)	
	<u>2003-2004</u>	<u>2002 -2003</u>
Profit before Depreciation	615.28	514.61
Less: Depreciation	118.62	90.73
Profit before Taxation	496.66	423.88
Less: Provision for Taxation	-	-
- Current Tax	89.50	93.50
- Deferred Tax	53.74	26.21
Profit for the year	353.42	304.17
Less : Income Tax pertaining to Previous years	1.01	-
Add : Excess Provision of Income Tax of previous year written back	1.25	0.74
Add: Surplus of Previous Year	38.85	77.41
Amount available for appropriation	392.51	382.32
APPROPRIATION		
Proposed Dividend	67.51	56.26
Dividend Tax	8.65	7.21
Transfer to General Reserve	285.00	280.00
Balance carried to Balance Sheet	31.35	38.85

PERFORMANCE HIGHLIGHTS/OPERATIONS:

During the year the installed capacity of Tyre Bead Wire unit has increased from 15000 MT to 20000 MT and your Company has achieved a sales tonnage of 13650 MT of Tyre Bead Wire that is 21% higher than that of previous year. The overall sales turnover of the Company has increased by 18% from Rs. 60.30 Crores to Rs. 70.90 Crores resulting in an increase in Profit Before Depreciation and Taxes (PBDT) from Rs. 5.15 Crores to Rs. 6.15 Crores achieving an increase of 20% from the previous year. Also the Company has met substantial savings in consumables, power and other manufacturing, administrative and selling costs.

Your Directors are pleased to inform you that your Company has become the first wire manufacturing Company in the country to achieve ISO/TS 16949:2002 Certification from TUV Rheinland, Germany which will further help to obtain quick approvals from global tyre majors. Also working with such stringent quality system will further reduce the costs and bring in higher customer satisfaction.

PROSPECTS:

The business prospects of the Company are directly linked with the performance and prospects of the Automobile and tyre industry. The Indian automobile sector is growing at 8-9% while the Indian tyre industry is growing at 9-10% every year. The export of automobiles and tyre from India has recorded a remarkable increase during the last few years and the road conditions in India are also improving which will multiply the tyre consumption and the demand for Tyre bead wire will increase proportionately.

Looking at the current volatile situation of steel prices and availability in the country as well as in the international market it is difficult to predict the exact price levels. However your Company has made adequate arrangements for its raw material requirements and has the financial capability to import the additional requirement during the year.

Due to this volatility Company is not entering into long-term price contracts with the customers, so that all the price increases in the raw material can be passed on to finished goods pricing. As the expansion project

will start producing additional quantities, your Directors are confident of achieving a very good growth in turnover and bottom line during the year.

DIVIDEND:

The Directors are pleased to recommend a dividend @ 18 % (Rs. 1.80 per Equity Share of Rs. 10 each) for the financial year 2003-2004 (previous year 15% i.e. Rs. 1.50 per share), which if approved at the forthcoming Annual General Meeting, will be paid to the shareholders whose name appears in the Register of Members as on 29th May 2004.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Nihalchand Kothari and Dr. Ing. Ernst Wolf, Directors of the Company retire by rotation at the Sixteenth Annual General Meeting and being eligible the Board recommends their re-appointment.

The tenure of of Mr. Chandanmal Chordia, Chairman and Whole time Director and Mr. Sunil Chordia, Managing Director of the Company, has expired on 31.03.2004 and the Board of Directors at their meeting held on 21st April 2004 have re-appointed them subject to approval of members in ensuing Annual General Meeting. The Board recommend their appointment.

In order to comply with the requirements of Clause 49 of the Listing Agreement signed with the Stock Exchanges, relating to Corporate Governance, your Company have appointed two new Directors Mr. S. S. Mehta and Mr. P. D. Nagar as additional Directors and the Board recommends their appointment as regular Directors.

FOREIGN COLLABORATION AGREEMENT AND CHANGE IN THE NAME OF THE COMPANY

The Joint Venture and Foreign Collaboration Agreement with M/s. Gustav Wolf, Germany has been terminated vide an inter se agreement dt. 1st October 2003 wherein the Shares of the Company held by Gustav Wolf group have been purchased by Mr. Sunil Chordia along with persons acting in concert with him. Consequent to the termination of the Collaboration agreement the name of the Company is also proposed to be changed to RAJRATAN GLOBAL WIRE LIMITED.

AUDITORS:

M/s. Trilok Jain & Co, Chartered Accountants, the Statutory Auditors of the Company, are retiring at the conclusion of Sixteenth Annual General Meeting. The Auditors has furnished a Certificate as required under Section 224(1B) of the Companies Act, 1956 and has consented to continue to act as auditors of the Company for the current year, if re-appointed.

AUDITOR'S REPORT:

Report of the Auditors and their observations and notes to the accounts of the Company for the year under review are attached herewith which are self-explanatory and does not require further explanation.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company drew a remuneration of Rs.24,00,000/- for the full year or Rs. 2,00,000/- per month for a part of the year and hence do not fall under category as specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) rules, 1975.

FIXED DEPOSITS:

The Company has not accepted any deposit during the year from the public and has no Public Deposits outstanding as on 31st March 2004.

LISTING:

The shares of the Company are listed on Madhya Pradesh Stock Exchange and The Stock Exchange, Mumbai and the Company is regular in payment of the listing fees to them. There was no suspension of trading during the year under review.

The Board of Director recommends delisting of securities from Madhya Pradesh Stock Exchange, Indore, pursuant to the SEBI (Delisting of Se-

RAJRATAN GUSTAV WOLF LTD.

curities) Guidelines, 2003, so as to reduce the recurring administrative cost to the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of energy conservation, technology absorption etc in Form A and B as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters forms part of this report and are annexed hereto.

INDUSTRIAL RELATIONS:

Your Directors are pleased to report that the relations with the employees and workers continued to be cordial during the year under review.

CORPORATE GOVERNANCE:

Your Company has always followed the philosophy of conducting its business with the compliance of laws, rules, regulations and sound internal control system and procedures. The Company has taken effective steps to implement the mandatory requirement of Corporate Governance Code as prescribed by Securities and Exchange Board of India as applicable in case of your Company, during the year under review. A report on Corporate Governance is annexed hereto as a part of the director's report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

That in the preparation of the annual accounts, the applicable accounting

standards have been followed, along with proper explanation relating to material departures.

That the directors 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 that period.

That the directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors would like to acknowledge the support received from the Company's Customers, Bankers, Government Departments, Vendors and Contractors.

The Directors also place on record their appreciation for the hard work put in by the employees of the Company for this performance.

Indore
Dated: 21st April 2004

By Order of the Board
CHANDANMAL CHORDIA
CHAIRMAN

ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the Financial Year 2003-04.

FOREIGN EXCHANGE EARNING AND OUTGO

The Company has incurred the following expenses in foreign currency:

On foreign travels Rs.1,73,447/-, for purchase of journals & periodicals Rs.10,152/-, on purchase of office equipment NIL, on purchase of plant & machinery & acquiring technology towards expansion project Rs 1,27,16,522/-, on import of raw material in foreign exchange during the year NIL.

The F.O.B value of exports during the year was Rs. 4,32,20,150/-.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is employing indigenous technology for its operations. Constant watch is kept on the consumption of energy & fuel to effect economy wherever possible. The details regarding consumption of energy are given below:

Power and Fuel Consumed**1. Electricity :****(a) Purchased Units (KWH)**

Total Amount

Rate/Unit

2003-04

7896060

38228140

4.84

2002-03

7775829

33514883

4.31

(b) Own Generation**(i) Through Diesel Generator**

Units (KWH)

Units/Litre of Diesel

Cost/Unit

1953836

2.73

5.77

1449726

2.72

5.45

2. L.P.G / PROPANE

Quantity (Kgs)

Total Amount

Average Rate (Per Kg)

735915

13873056

18.85

605875

10428011

17.21

3. DIESEL/SKO/LDO :

Quantity (Ltrs)

Total Amount

Average Rate

Consumption per Unit of production

Electricity (Units)

L.P.G (Kgs)

517614

7378698

14.25

459471

6943181

15.23

460

52

450

54

Indore
Dated: 21st April 2004

By Order of the Board
CHANDANMAL CHORDIA
CHAIRMAN

